Daily Report

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Czechoslovakia

Prague radio reports that following the recent resignation of CSFR President Vaclav Havel, deliberations were held to transfer presidential powers to CSFR Prime Minister Jan Strasky. Afterwards, Strasky stated: "The CSFR Government sees its main task as securing a calm and peaceful atmosphere for making a decision on such an important issue as a constitutional setup, and expects a similar attitude from the governments of the Czech Republic and of the Slovak Republic, as well as from all our citizens."

Bosnia-Hercegovina

In response to renewed fighting in Bosnia, Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, stated that Milan Panic, FRY prime minister, "obviously does not have enough power to stop the war," TANJUG reports. Asked about the possiblity of military defeat, Izetbegovic said that the Armed Forces are in a "state of readiness" and "there can be no military defeat, because it is the defense of our country that is at stake."

Albania

According to London PRESS ASSOCIATION, UK Foreign Secretary Douglas Hurd, commenting on the situation in Kosovo after talks with Albanian President Sali Berisha at Kruje Castle, said: "It is in the interests of Serbs that there should be a solution in Kosovo. If there is an explosion in Kosovo it will be for Serbia a huge disaster." He added: "Serbia has annexed the province of Kosovo, which has a population including two million ethnic Albanians, who are demanding full human rights and, in some cases the right to join Albania."

Yugoslavia

Federal—After meeting with UN Secretary General Butrus-Ghali on 20 July, Milan Panic, FRY prime minister, "voiced optimism," TANJUG reports. The discussions revolved around "the prospects for ending the civil war" in Bosnia-Hercegovina "and about lifting the U.N. sanctions."

Hurd Wants International Peace Monitors in Serbia

LD1907170692 London PRESS ASSOCIATION in English 1354 GMT 19 Jul 92

["Pooled" despatch by Steve Doughty, DAILY MAIL, at Kruje Castle, Albania]

[Text] Britain wants to send an international force of peace monitors into Serbia to prevent the outbreak of a new and shattering conflict in the Balkans. Foreign Secretary Douglas Hurd said Serbia must accept the monitors yesterday to help stop the ethnic explosion that is threatening to boil over in the Serbian province of Kosovo. As the world held its breath for the chances of the ceasefire sticking in Bosnia, the foreign secretary said that if a new conflict began in Kosovo all is lost.

The foreign secretary insisted that it was in Serbia's own interest that the peace monitors go as he tried to reassure Albanian leaders about the situation over their borders during the first-ever visit by a British minister to Albania. Serbia has annexed the province of Kosovo, which has a population including two million ethnic Albanians, who are demanding full human rights and, in some cases the right to join Albania.

The foreign secretary said yesterday that the Kosovo must stay inside Serbia but that the Serbs should accept the peace monitors to persuade the world that human rights are respected.

Hurd said: "It is in the interests of Serbs that there should be a solution in Kosovo. If there is an explosion in Kosovo it will be for Serbia a huge disaster."

He added: "That is not interference with sovereignty. That is merely the safeguard of an agreement that is for everybody's good." Serbian President Slobodan Milosevic bluntly refused to accept monitors—who would probably be sent by the 52-nation Conference on Security and Co-operation in Europe—when he met the foreign secretary in Belgrade on Saturday. But Hurd is determined to press Milosevic into changing his mind. Hurd warned the Serbian leader at the weekend that if the truce in Bosnia does not hold Serbia will have failed the crucial test of the will to peace and is headed for a bleak future of sanctions and international isolation. Hurd said the tests of the truce would be not Milosevic's promises but what happened in the fighting in Bosnia and Sarajevo.

Yesterday Hurd said: "I don't myself think that all guns will fall silent today. That is not likely in view of what I have seen in Bosnia." But he said he hoped that if the United Nations can begin to check on heavy artillery held by the warring factions, breaches of the ceasefire might be held in check.

Mr Hurd was speaking after talks with Albanian President Sali Berisha at Kruje Castle, a spectacular reconstruction of a medieval fortress built by former Albanian communist dictator Enver Hoxha. Amid the breathtaking mountain scenery Mr Hurd said of Albania, the poorest country in Europe: "If you look around you are not looking at a desert. You are not looking at a poor country, you are looking at a country ruined by communist dictatorship."

President Berisha's Government that took power this year pledged to introduce democracy, told Hurd that efforts are underway to find the site of a cemetery which holds the bones of more than 60 British, Australian and New Zealand soldiers who died in Albania fighting the Axis powers during World War II. The dictator Hoxha—now seen as a madman who built 80,000 mushroom-shaped pill boxes across his country's fields in a show of national defence and in doing so gave Albania more bunkers than telephones—had hidden the cemetery under buildings in the capital Tirana. But in the last two weeks British war time Special Operations Executive officers who fought in Albania, David Smiley and Lord Amery, have been helped to search for the cemetery.

Mr Hurd said: "The place is lost. It's very significant and touching that the president has made this gesture." Mr Hurd was given a more prickly present when he stopped over in Skopje, capital of the former Yugoslav Republic of Macedonia, on the way to Albania. The Macedonian President Kiro Gligorev gave him a local cactus. The Macedonians are angry that the European Community has refused to recognise their country until it changes its name—a decision resulting from the objections of Greece which has a province of the same name. The Macedonians are standing firm in the bizarre row and refuse to alter their country's name because of a political row whipped up by Greece's President Mitsotakis. Mr Hurd, who despite his own wish to recognise the country had to carry the European demand to Skopje, is likely to face a row over the issue when he meets fellow European foreign ministers in Brussels today (Mon).

Hurd, who is finishing a tour of the Balkans in his role as EC leader while Britain holds the Community presidency, will press for Europe to send aid to Macedonia even though the 12 do not yet recognise the country.

Union Declares Strike Alert, Criticizes Government

AU2107050392 Sofia BTA in English 1843 GMT 20 Jul 92

[Text] Sofia, July 20 (BTA)—The Confederative Council of the Podkrepa Labor Confederation declared a heightened strike alert in all its structures inside and outside the country. Originally it was announced that the Confederative Council, the trade union amalgamation's top governing body between congresses, would hold a two-day meeting. As early as today, however, the Confederative Council released its strongly worded decisions critical of the government and the Union of Democratic Forces (SDS) leadership.

The Confederative Council obliged the executive leadership of Podkrepa to hold consultations "with the democratic political and public forces in the country in order to clarify Podkrepa's positions and its future intentions on the implementation of the programme of the Union of Democratic Forces." The Podkrepa leader Dr. Konstantin Trenchev has repeatedly accused the government of failing to carry out the SDS programme.

Motivating its decisions, the Confederative Council says that "lies and disinformation" have been upgraded to government policy intended to keep the "uncontrollable power of a handful of upstart rulers." It says that the inaction of the executive branch colluded with the negative tendencies in the economic and social situation in the country. Podkrepa says that Bulgaria may even turn into a "banana republic" run by private "selfish and mercenary interests." There is a danger that the blue i.e. SDS idea might be perverted, the council says.

In a special address the Confederative Council described SDS's political declaration of last week as "a trespass of democracy," SDS accused the leadership of the two trade union amalgamations, Podkrepa and the Confederation of Independent Trade Unions, of instigating a strike wave intended to bring down the government and parliament. According to SDS, the actions of the trade unions serve the purposes of the opposition Socialist Party which walked out of parliament temporarily and at the end of last week moved a vote of no confidence in the government.

Talking to journalists today, Prime Minister Filip Dimitrov expressed the hope that the partnership between government and trade unions will be built on a reasonable basis. "Still, many people should realize what can be demanded and how far. If we assume that there are democratic institutions in Bulgaria, a democratically elected government and parliament, certain people, I am referring to all sorts of leaders of all sorts of trade union amalgamations, should simply knock out of their heads the idea that they can run the show by extralegal means," Mr. Dimitrov said.

Former Politburo Member Arrested in Grant Case

AU2007185492 Sofia BTA in English 1357 GMT 20 Jul 92

[Text] Sofia, July 20 (BTA)—Mr. Yordan Yotov, former member of the Politburo and the Secretariat of the Central Committee of the Bulgarian Communist Party [BCP], was taken into custody at the National Investigative Service today, BTA learnt from Mr. Mikhail Dochev who heads the team of prosecutors and examining magistrates investigating the case of the culprits for the economic catastrophe in Bulgaria.

Mr. Yotov has been arraigned in the case concerning the grant aid to communist parties in developing countries, which was separated from the economic catastrophe case in late June by an order of Prosecutor General Ivan Tatarchev. Mr. Yotov was secretary of the Central Committee of the Bulgarian Communist Party between 1986 and 1989. Ex-Prime Minister Andrey Lukanov and former Politburo member and Secretary of the BCP Central Committee Grisha Filipov have been arrested on the same charges. Nineteen former top Communist officials are expected to be charged in the case.

Zhivkov States Grants Served National Interests

AU2107050192 Sofia BTA in English 1815 GMT 20 Jul 92

[Text] Sofia, July 20 (BTA)—Former communist dictator Todor Zhivkov assumes full responsibility for the shaping and implementation of the country's domestic and foreign policy decisions, even though he had not signed any document on the allocation of grant aid to developing countries. This aid served Bulgarian national interests, Mr. Zhivkov writes in an open letter to BTA. The letter was occasioned by the recent wave of arrests of former top communist party functionaries charged in the grant-aid case. Mr. Zhivkov is among the 19 top communist officials arraigned in the case. The prosecutor general recently said he planned to order 16 of them taken into custody.

Prime Minister Assumes Presidential Powers

LD2007212592 Prague Stanice Ceskoslovensko Radio Network in Czech 2000 GMT 20 Jul 92

[Text] [Announcer] The Federal Government held an extraordinary session in Prague this evening. Daniela Galikova and Jakub Siska report on the deliberations:

[Galikova, in Slovak] The only point on the agenda of today's extraordinary session of the Federal Government was the questions and problems it is going to face because of the end of the post [as heard] of CSFR president—above all the division of powers between the government and its premier, as outlined by the Constitution. Besides the technical aspect of the division of these powers, the government issued a statement that was read out by Premier Jan Strasky:

[Begin recording] At today's session, the CSFR Government discussed the consequences of Vaclav Havel's resignation from the post of CSFR president. It entrusted the premier of the government to perform some constitutional powers of the CSFR president. The government assumes the duties which fall upon it according to the constitutional law on the Czechoslovak Federation, as outlined by the standing regulations. The government is determined to continue to fulfill its program statement, that is, to implement its executive powers within the framework of the valid federal setup.

The CSFR Government sees its main task as securing a calm and peaceful atmosphere for making a decision on such an important issue as a constitutional setup, and expects a similar attitude from the government of the Czech Republic and of the Slovak Republic, as well as from all our citizens.

The CSFR Government expresses its sincere thanks to Mr. Vaclav Havel for his work in the post of president of the Republic, which he did for the benefit of mankind, for the democracy and freedom of the citizens of the CSFR, and for the development of new international relations. [end recording]

[Siska] The following powers are transferred to Premier Strasky personally: to represent the CSFR internationally; to conclude international agreements; to receive and appoint ambassadors; to sign laws passed by the Federal Assembly; and to appoint and promote generals. He also has the right to grant amnesty; and he is, by law, the supreme commander of the Armed Forces.

[Galikova] We have also learned that the premier has the right to transfer some of the powers to other members of the cabinet. He said that he would certainly do so in some cases. On the other hand, the talks revealed that the only power that has actually been transferred to the Federal Assembly is the appointment and recall of the Federal Government.

Answering a question from a Radio Czechoslovakia reporter on whether this government is capable of coping with these powers, Premier Strasky said that the government is fully aware of the responsibility on its shoulders, and it will rise to the challenge.

Havel Holds Final News Conference 20 July

LD2007231592 Prague Stanice Ceskoslovensko Radio Network in Czech 2035 GMT 20 Jul 92

[Report on news conference by Vaclav Havel at Lany Castle on 20 July; passages in quotation marks are recorded]

[Excerpts] [passage omitted] Answering a question at his news conference concerning the circumstances under which he would run for the Czech Presidency, Vaclav Havel said:

"It depends on whether my candidacy would be in accord with the wishes of several relevant political forces. The issue is not so much that I personally do not particularly wish to go through several more rounds of not being elected before I am elected to be something. The issue is rather, in my opinion, that the Czech Republic cannot really afford to indulge in some very complicated and controversial presidential election at the moment when Czech statehood is being revived and when that republic is embarking upon its own independent being."

Vaclav Havel briefly summarized the reasons for a direct election of the Czech president, if that should come about, in these words:

"A president, if he were to play the constitutional role that I think he should play in our parliamentary system, should have a somewhat different type of legitimacy, or his legitimacy should be derived from a different electorate than the one from which the government's legitimacy is derived. Should the president be somebody who acts in case of a dispute between the executive and legislative power, that is between the government and the parliament, then his power should not be a mere function of the parliament or of that part of the parliament that gives a vote of confidence to the government. In the latter case, he could immediately be recalled by that parliament, he would report to the parliament, he would be in the same position as the government and he could not play this balancing role, this role of a constitutional safeguard in case of crisis. [passage omitted]

"Everything testifies to the fact that it is too late. The referendum should have been carried out a year, half a year ago. Those who call for a referendum today and who say: We want a referendum, why do the political parties consider the possibility of the division of state and do not consider a referendum? The very same were those who voted in the parliament against a referendum. They had a chance on many occasions to speak in favor of a referendum, they had a chance to call a referendum. Today, everything points to the fact that it is late for a

referendum. It is too late for a referendum of this type, a referendum that would ask the citizens what it is they want."

Vaclav Havel answered a question regarding his plans and what he will do in the next few days by saying:

"I intend to retreat for holiday. And after that I will appear again, I will emerge again. I certainly do not have the feeling that I will sink into oblivion. As far as I know myself I will not be able to resist being involved in public life. I have decided many times in my lifetime to withdraw into the background, to study, think, meditate, write, and I was never able to stick to that. Again and again, public life would attract me. Hence, I would rather not promise anything of the kind in advance and I can tell you that you will hear about me."

Army Chief on Havel Resignation, UK Army

LD2007222992 Prague CSTK in English 2104 GMT 20 Jul 92

[Text] London July 20 (CSTK correspondent)—Major General Karel Pezl, general chief of staff of the Czechoslovak Army, today told CSTK there is no danger of the Czechoslovak Army being abused after the abdication of President Vaclav Havel who was the commander-in-chief of the armed forces.

Pezl said there is no vacuum in this sense as both the federal and the national—Czech and Slovak parliaments as well as governments are functioning, and the duties of the commander-in-chief of the Armed Forces have been assumed by the federal premier.

Moreover, the government has never been affected by nationality discords because career soldiers have been used to live with their families in both parts of the federation.

On cooperation between the British and Czechoslovak Armies Pezl said it includes consultations on European security in a new system and on the transformation of NATO, the CSCE and the WEU [Western European Union].

According to Pezl, only NATO can ensure Czechoslovakia's security. Pezl has been on a five-day visit to Britain since Sunday [19 July].

Strasky Views Czech-Slovak Government Relations

AU1907192892 Prague MLADA FRONTA DNES in Czech 16 Jul 92 pp 1,7

[Interview with Federal Prime Minister Jan Strasky by Jiri Leschtina and Petr Novacek; place and date not given: "Let Us Encourage a Spirit for Independence in Slovaks"]

[Text] [MLADA FRONTA DNES] You are federal prime minister and a representative of the Civic Democratic Party [ODS], a party convinced that the breakup of the CSFR is more or less inevitable. On the other hand, Movement For a Democratic Slovakia [HZDS] representatives in the government came across as almost convinced federalists. Are you not concerned that, thanks to this Babel, the federal government's political schizophrenia will continue to intensify?

[Strasky] I will begin at the end: I am concerned. I am not sure whether this issue will involve Czech-Slovak schizophrenia in the federal government—this would still be a clear-cut situation—or whether it will involve schizophrenia among certain ministers, schizophrenia manifesting itself several times a week in their ever-changing opinions. If Minister Jozef Moravcik concedes at his very first news conference that the federation will not survive the New Year and if Deputy Prime Minister Milan Cic makes it abundantly clear at his first news conference that he is not in favor of a common state, then something is patently lacking regarding the convinced federalists among the Slovak representatives in the federal cabinet. There is obviously nothing lacking, however, in their conviction about the possibility of a gradual transition from a federal state to a confederative union of two states. Of course, not one member of the Czech Government shares this conviction. Nevertheless, it has to be said that the Slovak part [of the government] has greater scope for action. We Czechs are favoring one of two extremes, a federation or two independent states. They are somewhere in the space between them. We consider this space to be empty.

[MLADA FRONTA DNES] Have you made any attempt at all to somehow clarify things in the government?

[Strasky] Yes, in the budget. A confederation means "each on his own." It is impossible to implement, for example, the principle of civic cohesiveness in a confederation. That is, even given the economy's variable performance, each citizen of the common state has an equal claim to social security and many other benefits. This, essentially, has been emphasized in the budget rules for this year. Slovak representatives, however, with unique pride, are now adopting an "each on his own" budget concept. I personally believe the consistent implementation of this principle will either be sufficient to split the state or will, at least, contribute significantly to it.

[MLADA FRONTA DNES] Have specific ideological differences cropped up between the Czech and Slovak parts of the government?

[Strasky] I have to admit that I dislike the vigilance with which the media in particular are prophesying the outbreak of ideological differences in the federal government. Let me emphasize once again that the federal government must proceed in a manner ensuring that—to say the least—it does not hinder continuation of all the political, economic, and social changes initiated in November 1989. It must maintain a state of affairs making it possible to return, as the case may be, to a functioning federation after 30 September and it must prepare for a peaceful separation if this is decided upon

outside the jurisdiction of the federal government. I admit there are incongruities among all three of these tasks, incongruities that will eventually manifest themselves in the federal government. There is common interest in a peaceful solution. For example, we will argue about ownership of the oil pipeline, but we should be able to agree on not dismantling it.

[MLADA FRONTA DNES] What do you say to the increasing number of statements being made by the Czech and Slovak left parties that, since the federal government's policy statement contains a formulation about its mandate being limited by time, their deputies will not express confidence in it in the Federal Assembly?

[Strasky] The federal government has a mandate for a period specified by the federal parliament—that is, for a period of four years at the longest. In concert with the political agreement reached by the ODS and HZDS, the federal government will present its policy statement to the Federal Assembly, a policy statement in which it commits itself to fulfilling its government program for a period of three months in harmony with the outcome of the constitutional and legal talks. This is not a question of the government's political decision-making or a manifestation of its indolence. Of course, we do not know the direction in which the constitutional and legal talks are heading—whether we will continue our executive activity in accordance with the renewal of a functioning federation, or in some other role, or in no role at all. At this moment, however, I really do not know of any obstacle that would prevent us from remaining in office after 30 September 1992.

[MLADA FRONTA DNES] Do you identify with the point of view that the Czech left in particular, but also the Slovak left, wants to maintain the common state at any price because it would enjoy political predominance in it?

[Strasky] According to the results of this year's elections, left-wing forces would indeed predominate in a unitary state with a single-chamber parliament. The same thing could happen if a confederation were declared, because in this instance the ODS would probably have to transfer to the opposition. This possibility is not completely out of the question, but we do not consider it realistic. There are several motives for breaking up the state, but they will only result in breaking up a certain combination. This could be, for example, different economic performance in the two parts of the state, or differing views on the constitutional and legal arrangement—that is, the Czechs' lack of trust in a confederation and the Slovaks' lack of trust in the federation—or another method for the transition to a market economy in which, for example, the Slovak Republic places greater emphasis on etatism than on democracy. This etatism—that is, significant state intervention in the economy—unites the left wing in the Czech lands and Slovakia. The left-wing forces do not publicly acknowledge their conviction about this, they do not reveal this card. They camouflage it behind sentiment about the common state.

[MLADA FRONTA DNES] Nevertheless, this pro-Czechoslovak sentiment really exists, and is not only expressed by people with a left-wing orientation....

[Strasky] Naturally, I realize one thing: It will be difficult to convince the public that a fundamental constitutional and legal decision should not be made under the decisive influence of short-term political calculations. In fact the issue involves the very opposite: To convince the public that the Slovaks are interested in an independent state as a long-term goal and that, in this sense, the election results were not a mistake or a misunderstanding. It never occurred to Czechs that the common federal state could become an inferior and disadvantageous starting point for integrative European processes. An absolute majority of Slovaks on the left and right hold the opposite opinion and are willing to subordinate economic considerations to it. If they lack spirit presently, we should encourage it in them.

[MLADA FRONTA DNES] Vaclav Klaus is convinced that every day brings new symptoms of Czechoslovakia's continuing disintegration. Do you have any specific information in this regard from the deck of the federation ship?

[Strasky] The common state's integrity was "dismantled" step-by-step by every amendment made to the jurisdiction law. The amendment we undertake to submit in our policy statement will change nothing. Vaclav Klaus' arrival on the Czech political scene has, undoubtedly, accelerated this process. In comparison with the previous Czech Government, the current government will fall more "into the embrace" of Slovakia's continuing disintegrative tendencies. The federation does not have the means to prevent this, even if it wanted to. In other words, the republics now hold more sway over the federation than is good for it.

[MLADA FRONTA DNES] The federation still exists, however, and no one has rid your government yet of its responsibility for guiding the economy in both republics, for example, on financial, taxation, and export policies. Will you be able to agree on such measures and implement them?

[Strasky] Wait just a minute. The federal principle means primary authority for federation organs in relation to republican organs, but this authority is based, especially in a two-member federation, on consensus. I know from my initial experiences that if the will of both republics' representatives is simultaneously anti-federal, then the federal government will not save it. One thing that could happen is that the federation could just "peter out" and the federal government would have to make this clear to the public and parliament. Different budget rules, different taxation rates, different economic policies, and many other "differentiations" in the Czech lands and Slovakia could be a sign of this.

[MLADA FRONTA DNES] You retain considerable powers at your disposal.

[Strasky] Of course, the federation has instruments for exercising power. Striving to ensure that it does not have to utilize them to the extreme is something we have in common. One of the federal government's pressing tasks is to determine the popular will and to secure passage for it with the least possible damage. At the same time, if we are to maintain a constitutional situation, we can only safeguard this will hand in hand with the Federal Assembly. This constitutional connection worries me more than our relationship with the republican governments. The government's task is as follows: to identify the people's concurrent will or interest simultaneously and adequately both in the federal government and in parliament.

[MLADA FRONTA DNES] How will the transfer of jurisdiction from the federation to the republics take place, for example, in such a complicated and interconnected area as the transportation system?

[Strasky] This seems to me to be a minor problem. The transportation system can be coordinated by the federation and by agreement between the republics. Interest in ensuring that Czech highways link up with Slovak highways is mutual. If the federation does not have money to construct highways where it considers them expedient, then its role is merely a coordinating one, virtually a confederative one.

[MLADA FRONTA DNES] Let us suppose that our role as guardian of the federation ends in the fall. Should this be the case, who will secure the division of federation property between the two republics?

[Strasky] It does not seem important to me whether this role is assigned to the government or to a liquidation commission of a different structure. The difference is that the government would be responsible for this activity to the Federal Assembly—that is, this alternative would require the existence of this body. A liquidating commission would be responsible to the bodies that would have established it—for example, to republican governments, or national councils.

[MLADA FRONTA DNES] There are fears, in this connection, that the Slovak side would try to capture an unproportionately large part of federation property. Could this be prevented?

[Strasky] The Slovak side fears the opposite. The new states would certainly claim property on their territories. A significant part of it was created with different participation of the two republics. The property, with the exception of that abroad, is actually divided. A financial settlement would be sought, in fact. Coupon privatization would be one of the items, but we are ahead of ourselves. Nevertheless, we have just described the dangerous part of the conflict.

[MLADA FRONTA DNES] The are not many people who would envy you and your post of prime minister. What made you exchange a high and secure position in the Czech Government for an uncertain career as the chief destroyer of the federation?

[Strasky] I have not decided my own destiny for almost 25 years. By the way, who does fully decide his destiny? The way the politicians divided their posts suggests the future developments, no more and no less. You, or anyone else, cannot guarantee whether I will stay federal prime minister for four months or four years. Not even if the situation were more stable than it is today. If the federation splits, more powers will fall within the Czech Republic's jurisdiction, and I could possibly find my place there. For the time being, I am immersed in the current tasks and, believe me, I do not suffer from lack of work.

Czech Prime Minister Meets Austrian Chancellor

LD2007183892 Prague Federal 1 Television Network in Czech 1730 GMT 19 Jul 92

[Text] Czech Premier Vaclav Klaus and Austrian Chancellor Franz Vranitzky met unofficially in the Austrian Zell am See today. In the short discussion before their tennis match the head of the Austrian Government expressed the concern that the development in our country may lead to a split of the Yugoslavian type. Vaclav Klaus responded by stating that the conditions in our country were quite different, judging from the different mentality of Central Europeans and the natural features of the borders inside Czechoslovakia. Vaclav Klaus said that Austria, as a close neighbor, was following the events in Czechoslovakia very closely and was analyzing them rather well. During the evening talks he will do everything possible to make the understanding even deeper.

Franz Vranitzky once again stated on the behalf of his government that the development in our country is exclusively the internal matter of Czechoslovakia and that Vienna will strive for the best possible relations with any kind of state formations agreed upon by the Czechs and Slovaks.

National Council Reacts to Slovak Declaration

LD2007215392 Prague Stanice Ceskoslovensko Radio Network in Czech 2000 GMT 20 Jul 92

[Text] The Presidium of the Czech National Council held a session this afternoon. It was subsequently adjourned and resumed at 1900. Katerina Kasparova reports from the Czech Parliament in more detail:

[Kasparova] This evening, deliberations lasted less than one hour and members of the Presidium adopted a statement in which they reacted to the issue of the Slovak Republic's declaration of sovereignty. The statement says that the Presidium of the Czech National Council understands this declaration not only as a manifestation

of striving for state independence but also as a manifestation of its practical implementation.

The Presidium of the Czech Parliament also expresses its conviction about the necessity to quickly hold talks, at both parliament and government levels, on the peaceful and lawful forming of the independent Slovak Republic and independent Czech Republic. These talks need to be concluded by 30 September this year, the statement continues.

As I was told by Jiri Vlach, deputy chairman of the parliament, the Presidium of the Czech parliament considers this document to be an adequate reaction to the Slovak declaration of sovereignty; thus it was eventually agreed that no extraordinary plenary session is to be convened, as had been originally proposed by the club of the Civic Democratic Alliance.

Czech Prime Minister on Split with Slovakia

PM1707110492 Paris LE MONDE in French 17 Jul 92 pp 1,3

[Interview with Czech Prime Minster Vaclav Klaus by Martin Plichta in Prague on 15 July]

[Text] Prague—[Plichta] The second attempt to elect the Czechoslovak president was due to take place on Thursday 16 July. The only candidate has scarcely any chance of being elected and the deputies must also decide on the postponement of the third attempt to September as soon as possible. Does this mean the end of the post of president of the Czechoslovak state?

[Klaus] It is indeed very likely that no Czechoslovak president will be elected.

[Plichta] Do you intend to take any initiative to have a president elected?

[Klaus] No, I think that any such attempt is now pointless and superfluous. The important thing is that we now have a federal parliament and that it should give a vote of confidence in the federal government which is due to present its program this week. After that, we will see.

[Plichta] President Havel and you are often portrayed as opponents. Why is he your candidate for president?

[Klaus] Even if we are different in some respects, our personal and political relations are very good and our contacts are much more frequent than they were in the past. Vaclav Havel is a man who is capable of integrating the Czech political scene. That is why he is naturally our candidate for the post of president, president of Czechoslovakia now and of the Czech republic later.

[Plichta] What powers should the future Czech president have?

[Klaus] This question is rather premature because work on the Czech Constitution has only just begun. At all events, we will not adopt the French model. It will be something more like what exists in Germany or Austria.

[Plichta] Are you nonetheless in favor of his election by universal suffrage, as President Havel suggested on Sunday?

[Klaus] No, certainly not. We do not want to move toward a presidential system under any circumstances; I know that there is no direct link between the method of electing the president and the president's status, but an indirect correlation nonetheless exists. We want to maintain the principle of indirect election, even if it is made more complex than the present model. There is a whole series of possibilities: We can envisage that deputies in the Czech parliament will no longer be the only ones to participate in the election of the president, but also members of the local assemblies, such as, for instance, the mayors, in order to differentiate the process of appointing the government and the process of appointing the president and of defining their responsibilities.

[Plichta] What will the Czech government's next initiatives be? Will the Czech parliament adopt a declaration of sovereignty as the Slovak parliament plans to do on Friday?

[Klaus] No, that is not important. The important thing for us is to start work because the three governments—Czech, Slovak and federal—have been in deadlock for several weeks, even before the elections in early June and have been unable to carry out any reasonable activity. It is high time that we started to work intensively. The fact that public opinion is looking exclusively toward Czechoslovakia's future problems is a serious mistake which is extremely damaging in all spheres of society, starting with the economy.

[Plichta] When will the Czech Constitution be ready and submitted to parliament?

[Klaus] These are details. If that interests the world, it is asking the wrong question.

[Plichta] Why are you not holding a referendum in the Czech republic on partition, as Slovak Prime Minister Meciar plans to do in his republic?

[Klaus] The referendum is only one of the decision-making tools for our country's future. Ours is a normal democracy. We are not a country in revolution or civil war, nor a country without democratically elected institutions. The referendum is an extreme tool which has not been used in our country for decades. It is not appropriate to place so much emphasis on a referendum—this is happening more in the foreign press than in our press. This shows a failure to understand what is happening in Czechoslovakia. We are not war-torn Serbia, or Georgia, or Tajikistan, or Moldova. We are a normal country with functioning institutions. Recourse to a referendum would be an extreme step, an exceptional tool. We are

not excluding it from our panoply of constitutional tools but we will only use it if it is really necessary, and I emphasize necessary.

[Plichta] Do you think that Czechoslovakia is doomed to disappear?

[Klaus] Czechoslovakia, in its original federal form, based on the 1968 constitutional law on federation, has not existed for a long time. For 20 years there have been many minor changes but also fundamental changes which have meant a veritable process of unilateral separation by Slovakia. This process is impossible to stop. The question is where it will end. It is obvious that relations between the Czech Republic and Slovakia will be closer than between Czechoslovakia and France, for instance. But at what level will these relations exist? The future will show us. Speculating on this subject is pointless, and, as far as I am concerned, uninteresting.

[Plichta] Why are you opposed to a confederation, as Mr. Meciar is proposing?

[Klaus] Confederation is an empty word for us. It is a state system which does not exist. Nowhere in the world does it exist or has it been able to last. It is more a word game than a serious idea. We are talking of either a joint state which has the essential attributes, or relations between two independent states. What interests me is relations between two independent states. I do not need a neutral but deceptive word like confederation, union of two states, community.... I need to know whether it is one state or two, and the characteristics of relations between these two states will be fundamental; what they are called is superfluous.

[Plichta] Why do you think that the monetary and defense union proposed at one stage by Mr. Meciar would not work?

[Klaus] We must distingusih between two things which the Western world in general does not understand. Let us draw a disintaction between the fair-weather solution and the bad-weather solution. In other words let us draw a distinction between the solution for a stable, working, established system, and a solution which can be applied to a system in the throes of profound and fundamental tranformation. In this respect, relations between the Netherlands and Belgium are simple because they are two established states, which are stable, and have an identical system which is merely seeking an interface. It is complex in practice but simple as a concept. The Slovaks and us are two unstable societies in the throes of change. The difference in the rate and scale of the changes makes this interface impossible. Anybody who fails to understand this and says that it worked in 1850 somewhere or in 1910 somewhere else does not understand the very essence of the postcommunist changes. That is why the good advice we are receiving from the West does not apply to our problems.

[Plichta] You have created a ministry of international relations within the Czech government. What administration does it have? How will you share out areas of responsibility with the federal foreign ministry?

[Klaus] This ministry is still in the process of being set up. Its apparatus is minimal: It occupies two offices in the prime minister's building. Its duties depend directly on the development of negotiations on the future organization of relations between Czechs and Slovaks. The more progress we make in the phase of liquidating the federation, the more important a role it will play and vice versa. I think that its importance will increase. We have started the initial talks: I have already met with British Prime Minister John Major, I am due to meet with Austrian Chancellor Franz Vranitzky this weekend, and I intend to gradually establish contacts with the representatives of other countries—contacts which I already have thanks to my job as deputy prime minister in the former federal government.

[Plichta] What do you think of Mr. Meciar's proposal for joint Czech and Slovak missions abroad?

[Klaus] This proposal does not interest me now; it is not on the agenda.

[Plichta] Do you think that a single currency can survive?

[Klaus] I can only say that it is possible. If Slovakia's separatist trend continues, if Slovakia maintains a different economic policy from that of the Czech republic, as the Bratislava government's program implies, if the principle of "every man for himself" at budgetary level is rigorously applied, then I think that the common currency cannot continue to exist. But everything may be very different, because the Slovak government's real economic policy could be very different from the statements made by Slovak politicians in the mass media. These differences already exist; they are very important.

[Plichta] There is therefore no great difference between your economic ideas and those of the Slovak government?

[Klaus] The differences in statements are very great. But the economy has a great force of inertia; and I think that during the last two years we have crossed the Rubicon when it comes to changing the system. If the Slovak authorities do not make superhuman efforts to go back to the past—and I do not think they will because they have neither the strength nor the desire to do so—then the Slovak and Czech economic systems will perhaps not be very different. At all events, the differences will not be as important as commentators predict with regard to our two government programs.

[Plichta] The current differences between the two economies are therefore not important enough to be a reason for a split?

[Klaus] Certainly not now. We must draw a distinction between the economy's performance and the economic system. The Slovak side is emphasizing the difference in performance between the Czech economy and the Slovak

economy. In my view, the heart of the problem is the 1993 budget. Whatever the government programs, the election promises, possible results of referendums, and the agreements reached between the national councils, it is the 1993 budget in the fall which will decide everything. It is thanks to me, thanks to my personal commitment to federal budgets, that they were adopted in 1991 and 1992. If I had not fought for the continuation of budgetary redistribution in favor of Slovakia, the parliaments would not have adopted the budgets at that time. But now I will no longer do it. Because I cannot and do not want to.

[Plichta] Can an independent Slovakia survive in Europe?

[Klaus] Certainly. I think that the suggestion that Slovakia and the Czech republic cannot survive in Europe are unfounded. There are many countries smaller than Slovakia in Europe today.

[Plichta] What do you expect from the EC?

[Klaus] I expect understanding from the EEC, respect for the fact that a country's internal development cannot be influenced from outside, however reasonable the arguments which are put forward. I also expect that within the EEC the line which prevents it from becoming too bureaucratic and interventionist will prevail. I hope that this integration process will not be artificially speeded up because, not only our 40-year experience with CEMA but also our recent experiences with Slovakia show us the dangers of forced integration.

Klaus Wants Havel To Play Important Role

LD2007210492 Prague CSTK in English 1537 GMT 20 Jul 92

[Text] Prague July 20 (CSTK)—Czech Premier Vaclav Klaus hoped today, the last day of Vaclav Havel in the post of Czechoslovak president, that Havel "will reappear as an important figure at the level of the Czech Republic".

Klaus and Milan Uhde, chairman of the Czech National Council (Parliament), met with Havel this afternoon just before Havel's resignation.

Havel announced his decision to abdicate on Friday [17 July]. He said he has "lost the trust of a large part of Slovakia's political representatives". He said his remaining in office could obstruct the huge changes in the country's statehood towards which the country has been heading since the June elections, and the emancipation effort of the Slovak Republic which declared its sovereignty on Friday as well.

Klaus and Uhde conveyed to Havel the "Czech Archives" containing copies of written documents of the Czech state from its very beginnings (Great Moravian Empire 830-907) until the reign of Charles IV (1346-78).

"Mr President will have an opportunity to study them in order to look back together with us at the times when the Czech state was a natural entity in Europe. We wish that this be so again now", Uhde told journalists after the meeting.

Klaus thinks it is no good to carry on attempts to elect a federal president, but did not elaborate. Havel failed to be elected in the first round July 3. In the second round July 16, when he could not run, the only candidate, Miroslav Sladek, chairman of the SPR-RSC [Assembly for the Republic-Czechoslovak Republican Party], was also rejected. The federal Parliament decided to repeat the election July 30.

Klaus confirmed to journalists that the ODS [Civic Democratic Party] and HZDS [Movement for a Democratic Slovakia] chairmen and deputy chairman will meet in Bratislava Wednesday to discuss power-sharing and filling some federal posts which are still vacant.

They will also "seek a mutually acceptable arrangement for further steps related to the state setup" of Czechoslovakia, Klaus said.

Jeszenszky Calls For End to 'Coercive Expulsion'

AU2107072392 Vienna KURIER in German 20 Jul 92 p 3

[Ingrid Steiner report: "Vojvodina: First Signals of Serbian Aggression"]

[Text] "Alarming news is coming from Vojvodina," Hungarian Foreign Minister Geza Jeszenszky anxiously stated in Vienna over the weekend [18-19 July]. There is cause for fear that Serbia will also extend its deportation policy to the formerly autonomous province where a large Hungarian minority lives. "I hope that these were only individual cases," said Jeszenszky, who qualified Budapest's concerns to KURIER, but added: "Serbia cannot be so presumptuous as to create a further conflict."

The wave of refugees from Bosnia alone confronts Hungary with major problems: Presently, 40,000 expellees are accommodated in barracks, schools, and hotels. "Another 10,000 to 30,000 have been accommodated by acquaintances," Jeszenszky estimates. However, every day Serbia deports additional refugees to Hungary, which has been forced to send the majority back since last week. However, Budapest wants to continue to refrain from introducing compulsory visas for the refugees.

"Time is running out. Coercive expulsion must immediately be stopped," says Jeszenszky, who is pressuring the United Nations. "The World Security Council must resolve the refugee question by starting from its roots and put an end to the war." Hungary's foreign minister thinks that a military intervention by the UN troops has small chances. He rather banks on "an embargo and sanctions against Serbia."

Defense Ministry Denies Allegations on Maneuvers

LD2007203792 Budapest Kossuth Radio Network in Hungarian 1900 GMT 20 Jul 92

[Text] The army has held no large-scale military maneuver in the territory of the Republic of Hungary and, consequently, not even in the vicinity of the Slovak border, and does not plan to have one in the future either, the Ministry of Defense spokesman said. In reply to a question from our newsroom, Lieutenant Colonel Lajos Erdelyi said that training plans include battalion-size maneuvers at the most.

Our correspondent reported from Prague a few hours ago that on 27 July the Council of Defense of Czechoslovakia will meet to discuss the announcement made by Istvan Meciar, Slovak head of government, according to which, Hungary was holding a NATO-size maneuver on the northern borders of the country.

The Ministry of Defense spokesman received the news with surprise because, according to the Czechoslovak-Hungarian basic treaty, both countries undertake the obligation of inviting an observer from the other partner for larger maneuvers.

Industry Ministry Official Views Tasks, Prospects

AU2007133992 Budapest NEPSZABADSAG in Hungarian 18 Jul 92 p 10

[Interview with Industry Ministry State Secretary Peter Balazs by Zsuzsa Ban; place and date not given: "Branch Industrial Policy With Defense"]

[Excerpts] The recent crisis-management program of the Industry Ministry, a program according to which the Ministry intends to give concrete aid to 40 enterprises in difficult situations, has not met with unanimous approval. The Industry Ministry has already submitted to the Economic Cabinet the case of the 12 firms in need of immediate intervention. Both theoretical economists and practical experts think that this is gross interference in the market economy; it revives the practice of state redistribution, and it also sets up an arbitrary list of priorities. In addition, the medium-size and small-scale enterprises will again get into a disadvantageous position, enterprises that are trying to survive on their own even under the difficult market conditions. We asked State Secretary Peter Balazs whether this crisis management program wants to replace the long expected and long promised industrial policy concept? [passage omitted]

[Ban] The State Property Agency, rather than the Industry Ministry, has become the representative of the state owner in the case of most enterprises. However, the Industry Ministry is now taking the role of the owner, although it has no means whatsoever to exercise this role.

[Balazs] It is not the task of the State Property Agency to work out an industrial policy, and I think it was not preparing to formulate such a policy. However, all the government factors should agree that there is a need for an industrial policy if we want to somehow make the economy more dynamic.

[Ban] You also admitted that a crisis management program is not a full-fledged industrial policy, but only fire fighting. Can we expect this to save the major industrial enterprises from bankruptcy or elimination? Will we have a comprehensive industrial policy really connected to market conditions?

[Balazs] What we should do now is close the past. The next step is to formulate a sector industrial policy, a practice created in Western Europe 20 years ago. Experts mainly demand this today. The idea is to think in terms of industrial sectors, rather than enterprises, like the vehicle industry, textiles, steel industry, or even the furniture industry. The essential thing is to make these sectors deliberately join the domestic and foreign processes. [passage omitted]

[Ban] Before working out its industrial sector policy, Hungary allowed imports to flood our completely weakened industry. Do you think this process can still be reversed?

[Balazs] History stepped on our toes and forced us to advance on the path of integration faster than we wanted to. However, this does not mean that, once we are aware of the situation, we do not have any means of defense. As an expert who directly participated in preparing international agreements, I can say that the latest free trade agreements provide us opportunities for development, and this does not mean a retreat from our intention to liberalize our industry. However, we also want to defend our domestic industry in certain areas. This is the precondition for helping the Hungarian enterprises into a competitive position. [passage omitted]

Constitutional Court President Upholds Decision

LD2007213592 Budapest MTI in English 1854 GMT 20 Jul 92

[Text] Budapest, July 20 (MTI)—The Constitutional Court made an unambiguous, accurate, and detailed decision on the debate between the president of the republic and the prime minister concerning scope of authority, Constitutional Court President Laszlo Solyom writes in his letter to Prime Minister Jozsef Antall.

Antall sent a letter to the Constitutional Court president on July 17 asking them to take concrete stands on concrete matters, instead of abstract legal interpretation.

The president rejected the prime minister's proposal to relieve the Radio and TV presidents of their posts, which Antall regarded as a transgression of presidential power. The president refused to remove the media presidents, referring to freedom of the press.

Both sides interpreted the Constitutional Court's resolution as confirming their own positions. According to the prime minister, the possibility of multiple interpretation damages the court's reputation.

On this score, Solyom states in his letter, "no press statements or public opinion polls can harm the prestige of the Constitutional Court, or call into question the function it fulfills in a state governed by the rule of law."

In the present legal situation, however, the Constitutional Court has no power to decide whether the president's actual decision followed the Constitution or not, the letter runs.

Population Decreasing 15,000-20,000 Yearly

LD2007140192 Budapest MTI in English 1118 GMT 20 Jul 92

[Text] Budapest, July 20 (MTI)—In Hungary, the tendency to have children is declining and the population is in an insufficient state of health, says a comparative demographic survey released in Budapest recently.

The survey compares demographic data from Austria, Czechoslovakia, Hungary, Italy, Poland and the former Yugoslavia.

In none of the six countries does the number of children within a family reach the number necessary for maintaining the level of the population (2.2).

With its total fertility proportion of 1.84, Hungary occupies a middle place, but its population has been decreasing by 15,000-20,000 every year since 1981.

In 1980, Hungary's population numbered 10.7 million. At present, it is only 10.34 million. According to a demographic forecast, the country's population will fall to 9.95 million by 2010.

Also the population continues to age. Due to a low retirement age (men: 60 years, women: 55 years), and the possibilities of retiring before the official age and of receiving disability pension, the proportion of those economically active compared to pensioners has fallen to 1.8 from 2.4 in 1960.

Among the six countries, Hungary has the highest crude death rate, at 13.7 from every 1,000. The rate used to be 10.2 in 1960.

The Hexagonale has a rate of 9.1, while the European rate is 10.4.

At present, in Hungary, life expectancy at birth is 69.2 years as opposed to 68 years in 1960. The average of the six Hexagonale countries is 73.4 years, while in Europe, it is 76.8 years.

Suchocka 'Optimistic' After Vienna Trip

LD2007175992 Warsaw Radio Warszawa Network in Polish 1005 GMT 20 Jul 92

[Interview with Prime Minister Hanna Suchocka by unidentified reporter at Warsaw airport on 18 July, following Suchocka's trip to Vienna for the Central European Initiative—recorded]

[Text] [Suchocka] You know, I must say that I returned in a very optimistic mood after this visit because I had talks with Austria's president, Austria's prime minister, the Italian prime minister, the Hungarian prime minister, and the prime minister of Czechoslovakia; that is, with leaders of all those main countries that constitute the Central European Initiative. We have established many common problems—but, (?wait), all this was taking place in the background of an international conference in which I was participating. So, these talks were not strictly bilateral. We have made appointments, since according to principles, I should now pay an official visit to Austria, and also to Hungary; on the other hand, the prime minister of Czechoslovakia should pay a visit to Poland.

[Reporter] The press reported that the president of Austria handed you a sealed envelope that contained some economic proposals. Is it true?

[Suchocka] It was the prime minister who gave it to me, yes. These are proposals that are very interesting for us, but these are proposals for certain Austrian and Western investment projects in Poland. I cannot reveal any details yet, but they are also, to a large extent, dependent on the progress of privatization in Poland and on stability in our country. This was very emphatically stressed in all the talks: They are happy that there is a government and they hope there will be stability; they are happy the foreign policy line has been maintained; they are happy—this is my opinion—that former Prime Minister Bielecki is in the government, that he will be dealing with EC matters; and they hope that this coalition will be a durable one. The Italian prime minister told me that I am in a good position because he himself has a much weaker coalition.

[Reporter] (?Have you received similar envelopes) from other prime ministers?

[Suchocka] No, no, I have not. Envelopes—this sounds strange because it looks as if I was taking some envelopes [kopertowki; in colloquial Polish this means a form of bribe or reward for services rendered]—no, I did not receive any envelopes. On the other hand, I gave an envelope to the president of Austria containing President Lech Walesa's invitation to visit Poland, and Mr. President welcomed the idea with satisfaction.

Suchocka Discusses Military Issues

AU2007112992 Warsaw POLSKA ZBROJNA in Polish 16 Jul 92 pp 1,2

[Interview with Prime Minister Hanna Suchocka by Janusz B. Grochowski; place and date not given: "Who Does Not Like The Army?"]

[Text] [Grochowski] Do you like the Army?

[Suchocka] Everyone in Poland seems to like the Army. Opinion polls give it a very high rating. That indicates society's attitude toward the Army. I myself am available for meetings with soldiers, but it depends on my work schedule.

[Grochowski] In your Sejm speech you spent almost 10 minutes on various aspects of national security, internal and external. Are you very concerned about security?

[Suchocka] I would not say the state of our security is bad. However, I did say that the Poland we wish to build must be strong, and that necessitates the consolidation of various structures, a clearer definition of their roles, and reorganization. That is why I spent so much time on this topic.

Apart from that, the organizational and financial developments inside the Army require very rapid changes. That is why I mentioned this in my speech, because we still need an army.

[Grochowski] You announced military reforms. What kind of reforms?

[Suchocka] Like I said in the Sejm, our primary objective is to relocate forces and reduce the Army's numerical strength to 250,000 men. There is no need to panic about this because, like I said, the professional cadres will remain. We just have to find a rational way to distribute and utilize them.

[Grochowski] What do you think is the difference between commanding the Army and administering it?

[Suchocka] That is a very difficult question. A parliamentary commission held an entire debate on this subject, and I took part in it. Different deputies interpreted these concepts in different ways. Therefore, I would wait until the relevant commission has reached its decisions, and when I have acquainted myself with them I will express my opinion.

[Grochowski] You also mentioned the need for a clearer demarcation of defense responsibility between the president and the government. Can one expect anything new here?

[Suchocka] That is exactly what we talked about with the national defense minister's team. We would very much like this responsibility to be clearly defined. We expect the "small constitution" to be adopted soon. That document will provide a clearer solution to the problem.

[Grochowski] Our aim, that you also mentioned in your Sejm speech, is to join NATO. From the point of view of your position as vice chairman of the Parliamentary Assembly of the Council of Europe, how realistic is this?

[Suchocka] From that point of view. Poland's entry into NATO is not so clearly visible because the Council of Europe is separate from NATO. I think Mr. Onyszkiewicz should have more to say on this subject because he has been involved in our talks with NATO for a long time.

[Grochowski] While on the subject of the new defense minister, why did you uphold Prime Minister Pawlak's decision and confirm Mr. Onyszkiewicz as incumbent of this post?

[Suchocka] Because of his knowledge of defense matters and my trust in him. I think he will exercise this function very well.

[Grochowski] The status of the Polish Army officer has changed in recent times. I hesitate to say that it has declined. Are you able to assure people in uniform that things will be better in future?

[Suchocka] I always avoid saying that things will be better and making promises that possess no certainty. But on the other hand, having become prime minister, I have to assume things will be better, otherwise my mission will fail.

[Grochowski] Can you at least assure us that there will not be another cut in the defense ministry budget?

[Suchocka] I have tried to convince the defense minister about that. We must try not to make any further cuts to this budget, but we will have to wait and see if that is possible. At any rate, I do not want to make any cuts.

Officials Unable To Access Former Soviet Airbase

LD2007213992 Warsaw PAP in English 1946 GMT 20 Jul 92

[Text] Legnica, July 20—Polish customs and police officials are still unable to gain access to the former Soviet airbase at Legnica (south-west Poland) to inspect 43 undocumented, possibly stolen civilian cars, Marek Puzio, press spokesman of the Legnica Provincial Governor, announced on Monday [20 July].

Puzio said that the officials, together with representatives of the Prosecutor's Office, attempted on Monday to gain access to the base in accordance with an agreement reached on July 15 by Polish and Russian Government plenipotentiaries negotiating the withdrawal of Russian troops of the former Soviet Army from Poland. However, Russian officials at the base refused to allow the Polish team to inspect documents relating to the cars.

Polish customs and police officials have been trying for some time to gain access to the base, to verify the origins of the vehicles, all resprayed and with the engine serial numbers erased. There are growing suspicions on the Polish side that former Soviet military bases are being used as a channel for smuggling stolen private cars, as a result of which, the Polish general staff over the weekend suspended all transport flights out of Soviet air-bases.

Olszewski Sees Elections as Possible Solution

LD2107002192 Warsaw PAP in English 2154 GMT 20 Jul 92

[Text] Poznan, July 20—Former Prime Minister Jan Olszewski Monday [20 July] told a public meeting in Poznan, western Poland, that new elections will have to be held if the government fails to cope with the tasks that face it.

"This will be a difficult, but necessary solution," Olszewski declared and added that it would create a chance for society and the processes of transition to democracy and free market.

Commenting on the expulsion of former interior minister in his government, Antoni Macierewicz, from the Christian National Union (ZcHN) Olszewski predicted that this decision does not augur well to the present government. In his opinion the participants in the present ruling coalition did not want to continue the work to uncover informers of the former communist secret service, a task that Macierewicz had been determined to carry out, Olszewski stressed.

Two-Hour Warning Strikes End at 8 Coal Mines

LD2007165192 Warsaw PAP in English 1115 GMT 20 Jul 92

[Text] Warsaw, July 20—Strikes ended at eight hard coal mines Monday [20 July] morning and rallies of miners were staged in ten mines, press spokeswoman for the Minister of Industry and Trade Grazyna Lewandowska said Monday.

The Rymer, Borynia, Krupinski, Miechowice, Jowisz, Paryz, Niwka and Bogdanka coal mines staged two-hour warning strikes, following earlier announcements by the Federation of Miners' Unions, the State Hard Coal Agency said today.

In a related development, Chairman of the Federation of the Miners' Unions Rajmund Moric said that the warning strikes were a response to breaking off the talks at the Ministry of Industry and Trade on July 18.

Moric said that before 10.00 hrs reports on staging two-hour strikes had come from 18 mines and on one-hour strikes from 5 mines.

Mihai Declines Presidential Nomination

AU2007204692 Bucharest Radio Romania Network in Romanian 1900 GMT 20 Jul 92

[Text] The press spokesman of the former sovereign of Romania, King Mihai, has faxed us the following communique:

According to information published in Bucharest, through its president, Radu Campeanu, the National Liberal Party [PNL] has taken the initiative of proposing that His Majesty King Mihai run for the position of head of state during the elections to be held on 27 September.

The enthusiasm demonstrated by the Romanian people at Easter when the king and his family were warmly welcomed by large numbers of people made his majesty even more encouraged by all the signs of support which he is constantly receiving in his struggle for the dignity and well-being of Romania.

Consequently, King Mihai would take into consideration the initiatives of spiritual, civic, and political organizations of the country that would lead to broad understanding permitting his return as sovereign at the head of the state in accordance with the laws and civilian reconciliation. This should take place under circumstances that would by no means question the role of his majesty as the impartial guarantor of national unity.

Iliescu Discusses Moldova, Election Issues

AU2007130792 Bucharest CURIERUL NATIONAL in Romanian 15 Jul 92 pp 1,4

[Interview with Romanian President Ion Iliescu by THE NEW YORK TIMES correspondent in Turkey during his 24-26 June visit to Istanbul for the Black Sea Economic Cooperation Summit: "A Generally Positive Development in the Position of the West and of the United States Toward Romania"]

[Excerpts] [THE NEW YORK TIMES] Mr. President, how do you view the situation in the Dniester region and in the Republic of Moldova in general? Many people do not know the exact history of Bessarabia.

[Iliescu] Bessarabia, this Romanian territory, was divided into new structures and when the Republic of Moldova was established, it included territory that was not Romanian, namely the Dniester region. The southern and the northern parts, including Bukovina, which never belonged to Russia (but for one and a half centuries before the first world war it belonged to Austria) were included in Ukraine. Thus Stalin and Khrushchev created new problems for history. Before this situation and after the dismantling of the Soviet Union, all the republics proclaimed their independence and here we have a new, independent, and sovereign state, namely Moldova, which is a creation of the Soviet Union. Now, on this territory, due to the demographic policy promoted by the imperialist Soviet Union, there is a population of Russian and Ukrainian origin. Some 65 percent of the entire population of the Republic of Moldova are Romanians, the rest are Russians, Ukrainians, Bulgarians, and Orthodox Turks. And now, this small territory of the Dniester region, unlike the other 4.5 million inhabitants of Moldova, has only half a million inhabitants, of which 40 percent are Romanians, 27 percent Ukrainians, and 23 percent Russians. The Russians raised this issue of the independence of this small territory, something that makes no sense, because it is on the territory of the state of Moldova that was created from the remainder of the Soviet Union. Here you have a problem of the sovereignty of this new and independent state, which was recognized by all the states in the former Soviet Union and by 100 other states of the world. The Republic of Moldova is a member of the United Nations, of the CIS, and so on and so forth. But the major source of conflict is the presence of the Soviet Army—now the Russian Army, namely the 14th Army—on its territory. As a matter of fact, weapons were given to certain groups that were set up on this territory—to Cossacks—and even the 14th Army itself got involved in the conflict. Therefore, this is not an ethnic conflict but a political conflict between the conservative forces and those forces that are fighting for the development of new, democratic relations between countries. The major issue is respect for international law and the relations between independent and sovereign states.

It is unacceptable for a foreign army to get involved on the territory of an independent state and create such problems and it is unacceptable for leaders of a big state to show a small state how to solve its domestic problems! I believe that this is a political problem and it is a matter for the international community and for the states involved in assisting this new, independent state solve its domestic problems. I believe that what we did in Istanbul during the meeting of the four presidents: Mr. Yeltsin, Mr. Kravchuk, Moldova's president, Mr. Snegur, and myself, namely the accord that we reached to support the activity of certain institutions, the meetings of the foreign ministers, and the Joint Commission, which includes representatives of the four countries, were positive steps. A group of the UN secretariat will arrive in a few days to grant the necessary assistance to achieve a cease-fire, separate these forces, and ensure the withdrawal of the 14th Army to the established places, and thus allow for Russia and Moldova to start negotiations on the complete withdrawal of these military forces. The Republic of Moldova will give complete support to those offices who have their families in that republic and wish to stay and become citizens of that state, on the obvious condition that they observe the laws of that state. Likewise, the parliament and the political bodies of the Republic of Moldova will take certain political measures regarding democratic laws and the rights of all ethnic minorities—Russians, Ukrainians, and others—and their freedoms in a democratic state. We discussed all these issues together and I am convinced that we can find political solutions to these problems because war cannot solve them. Only political

measures taken in accordance with international law can solve them. [passage omitted]

[THE NEW YORK TIMES] What can you tell us about the upcoming elections?

[Iliescu] The general elections will take place in September. That will be the final point of the two and a half years of the current political life in our country. The new parliament and the president were elected during the first elections, which were held in May 1990, after the first period of a provisional state. The new parliament also played the role of Constituent Assembly with the major objective of drafting a constitution. We endorsed this constitution in December 1990. It is a democratic constitution that sets the framework for democratic development, including the separation of power and establishment of all necessary institutions in all areas. On the basis of that constitution we organized local elections in February and now, in September, we will conclude this process with the election of the new parliament and of the new president for a 4-year mandate. This will mark a new stage in our political development on democratic bases.

[THE NEW YORK TIMES] What were the reasons for the split and frictions within the National Salvation Front [FSN]?

[Iliescu] It is a general process in our political life, after a long period of a totalitarian regime, when political life did not really exist, because the presence of a party and the monopoly of a party did not allow the emergence of any other parties at all. Therefore, a general reaction appeared, a great diversity, expressed in political organizations. Currently we have approximately 200 parties registered! The FSN was the major group, which was connected to the revolutionary movement in December 1989 and which enjoyed the broad support of the electorate. However, after a while, we noticed a general tendency to stabilize political organizations, that resulted in a situation when some small groups merged and some other larger groups split. The FSN went through the same process because it was a big organization without a really broad political profile and without a well defined political platform. Therefore, what happened is a normal process within the party. Basically there are two such formations that have been set up on the basis of the FSN.

[THE NEW YORK TIMES] And now the last question. Do you envisage a change in the attitude of the West toward Romania after the elections, no matter what is the result of elections?

[Iliescu] I hope for even more than that. I noticed a generally positive development in the position of Western institutions and of the Western countries, especially the United States toward Romania; I am talking about bilateral relations.

[THE NEW YORK TIMES] Thank you Mr. President.

Izetbegovic Rules Out Military Defeat

LD2007164492 Belgrade TANJUG Domestic Service in Serbo-Croatian 1511 GMT 20 Jul 92

[Text] Sarajevo, 20 Jul (TANJUG)—Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, said today that, according to information he has obtained from his armed forces headquarters, last night and this morning the aggressor, as he described the Serbian Army of Bosnia-Hercegovina, violated the cease-fire many times.

"Mr. Panic, with whom I held talks yesterday, obviously does not have enough power to stop the war in Bosnia-Hercegovina," Izetbegovic concluded at a news conference for foreign journalists.

The leader of Bosnia-Hercegovina Muslims added that he has no doubts in Panic's honest intentions, and that he believes they will soon have a chance to communicate again, since the prime minister of the Federal Republic of Yugoslavia, as Izetbegovic said, promised to contact him from New York.

Izetbegovic informed foreign journalists that in connection with cease-fire violations, a request was sent to the United Nations this morning asking for a more resolute involvement of the international community in solving the crisis in Bosnia-Hercegovina and for some more energetic measures. He however did not specify which measures.

Asked about a possible military defeat, considering the uneven distribution of forces, Izetbegovic said that signing a cease-fire does not mean a relaxation, but that the armed forces of Bosnia-Hercegovina are still in the state of readiness and that he believes "there can be no military defeat, because it is the defense of our country that is at stake."

President Discusses Latest Serbian 'Attacks'

AU2007203892 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 20 Jul 92

[Nada Rajkovic report on news conference held by Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, on 20 July; place not given; Izetbegovic remarks accompanied by consecutive English translation]

[Text] At the beginning of his news conference, Alija Izetbegovic, president of the Presidency of Bosnia-Hercegovina, briefed reporters on the latest attacks by the aggressor, above all at the Dobrinja Settlement where an infantry assault was attempted, and added the following:

[Begin recording] This would be my comment on the decision on the cease-fire that Mr. Karadzic and Mr. Panic announced last night. [words indistinct] reporters and ordinary citizens frequently ask me why we are getting into any negotiations concerning truces, cease-fires, and signing agreements about them. Of course, I have no illusions in this respect, just as our citizens do not have any, but we cannot reject anyone's offer to stop the shooting and move toward a peaceful solution, even when we know that what is involved is an ordinary trick to deceive the international community. Namely, such an attempt at deception is possible not by rejecting such talks, but, on the contrary, by agreeing to participate in them. It must be pointed out that the talks we may hold in this respect are never at the detriment of our defense preparations. [end recording]

Izetbegovic said that the Security Council had been informed about all events, along with the suggestion that it should adopt corresponding measures on the basis of new facts. Closing Sarajevo airport is the best indicator that the situation in Bosnia-Hercegovina has been aggravated after the cease-fire was announced, Izetbegovic said. In reply to a question on the possibility of military defeat for Bosnia-Hercegovina, he presented the following facts:

[Begin recording] We are managing to maintain our positions in Gorazde, Sarajevo, Srebrenica, and along the entire Bosna valley up to Doboj. There is some withdrawal and some difficulties on the front in Posavina and in Hercegovina. Positions are being maintained in central Bosnia despite the attacks, as well as in northeastern Bosnia, in Krajina. The military situation is such that we are controlling more than 50 communes. It is a rather stable control. In 11 other communes, out of the total of 109, this control is partial. About 50 percent of the territory of Bosnia-Hercegovina has been occupied as a result of aggression. More than one-half of the population lives on the territory we call free territory, however. We do not think that we are facing military defeat. We think that we are going to improve our positions in the future and that time is not on the aggressor's side. [end recording]

Finally, Izetbegovic explained that there was a misunderstanding today between the UNPROFOR [UN Protection Force] representatives and the armed forces of Bosnia-Hercegovina when humanitarian aid was delivered to Grbavica, but that this misunderstanding was quickly resolved.

Serb Army Protests Cease-Fire Violations

LD2007165892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1352 GMT 20 Jul 92

[Text] Belgrade, 20 Jul (TANJUG)—The main headquarters of the army of the Serbian Republic of Bosnia-Hercegovina today lodged a protest with UN Protection Force Chief of Staff General Lewis MacKenzie because of cease-fire violations perpetrated by the Muslim and Croatian forces, the command of the Serbian Army announced today.

The protest says that, after the London cease-fire agreement came into force, the Croatian forces stationed in Slavonski Brod, on the territory of the Republic of Croatia, opened artillery fire on positions of the Serbian

forces in northern Bosnia. Five members of the Serbian forces were killed in the attack, the command reported. The Serbian forces did not open fire in return.

Around 1900 yesterday evening, armed forces of the Republic of Croatia opened howitzer fire on the Serbian village of Podgora near Kupres. Around 2300 last night, the Muslim forces opened mortar fire on the village of Pritoka on the Una river. An infantry assault was carried out on the village of Grabez near Bihac which was responded to.

The Muslim forces, the report goes on to say, attacked the positions of the Serbian forces near Gorazde early this morning. One member of the Serbian forces was killed and one injured.

Around 2100 yesterday evening, a column of the army of the Serbian Republic of Bosnia-Hercegovina moving near Semizovac (between Sarajevo and Ilijas) was attacked. Four members of the Serbian forces were killed. The attack was responded to.

Near Bratunac, in the eastern part of the Republic, last night the Muslim forces opened infantry fire on the Serbian positions which was not responded to.

The Croatian forces started an attack of wide proportions on the territory of Trebinje early this morning. Units of the Serbian Army returned fire.

In its protest lodged with General MacKenzie the command of the Serbian Army says that by attacking positions of the Serbian forces the Muslim-Croatian forces wish to create an impression in the world public that there is no peaceful solution of the crisis in Bosnia-Hercegovina.

Government Proposes 'Regionalization' Plan

AU1807143092 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 17 Jul 92

[Text] Assuming the task of drafting a comprehensive plan for the administrative-territorial organization of the Republic of Bosnia-Hercegovina, the republic government adopted positions today concerning the plan.

The main starting point for this project is Bosnia-Hercegovina as a decentralized state. The four main criteria for the regionalization, not cantonization, of this republic are economic, cultural, historical, and ethnic considerations. In this work, (?the government) was led by the results of a scientific analysis of the existing experience in administrative-territorial organization.

The decentralization of the state authority in the Republic of Bosnia-Hercegovina will be realized by fully respecting the fact that Bosnia-Hercegovina as a culturally, historically, and politically independent entity is not a simple sum of diversities but, on the contrary, an organic causality entity of different political, religious, and national characteristics.

The decentralization of state authority will be carried out in conformity with this via communes and regions so that the natural, economic, cultural, historical, ethnic, and political factors of the unity of diversity act as freely and harmoniously as possible. The organization of administrative-territorial units in Bosnia-Hercegovina that would endanger this principle of unity of diversity that is specific to the entire territory of the republic is not acceptable.

Decentralization cannot be carried out without considering historical currents that have been influencing the formation of a large number of regional centers over a long period of time. In view of that, in the Republic of Bosnia-Hercegovina there could be at least four regions with administrative centers in Sarajevo, Mostar, Banja Luka, and Tuzla.

The regions [words indistinct] principles, regardless of their number, proceed from natural, economic, cultural, and historical (?reasons). At the same time, they are (?reproducing) the being of Bosnia-Hercegovina in which citizens and peoples are equal.

Relations between institutions of the authority at the state, regional, and communal level will proceed from the principles of a common legal system, economic efficiency, and equality of citizens and peoples. The restoration of private ownership as the precondition for entrepreneurship and the market economy will be realized on the basis of the constitution and other laws, fully taking into account (?the experience) of the developed world.

Regarding the existing regional centers, there has been an unnatural demographic (?conflict) between the town and the village to the detriment of life and work in the village. This has produced numerous social tensions that are negative influences for economic, cultural, and political life in the republic.

The regions would, therefore, act as the factor of [word indistinct] of conditions for life and work in the town and the village. It is not possible to organize administrative-territorial units on ethnic criteria alone. Therefore, the rights of the individual will be the focal point of the unified legal solutions. All other rights, including the rights of the people, will derive from the rights of the individual. Such a course is affirmed by the entire historical experience of coexistence in Bosnia-Hercegovina as well as the results of all multidisciplinary researches in this area made so far.

Specific political, religious, and ethnic characteristics in the republic can be expressed in all forms [words indistinct] that do not exclude the same rights to other people and which do not threaten the development of Bosnia-Hercegovina [word indistinct] of the unity of diversity. All peoples in Bosnia-Hercegovina have the right and opportunity to protect and develop their language, national culture, upbringing, and education in accordance with their cultural-historical heritage at all levels of the administrative-territorial organization of the state.

Research shows that there is a need for certain changes in the territorial structure of the communes. This would only be possible and necessary when the war stops, that is to say, once the unified, stable, and democratic authorities have been set up on the entire territory of the republic, taking into account (?scientific work) in order to optimize local administration.

All attempts to establish administrative-territorial units in Bosnia-Hercegovina on the basis of ethnic critera alone contradict the cultural, historical, and economic character of the Republic of Bosnia-Hercegovina.

The current ratios in the communes, regions, and the entire republic cannot be a source for one nation enjoying more rights than others. The cultural-historical characters of all three peoples in Bosnia-Hercegovina are inseparably linked to the entire territory. Fomenting the ideology and programs of ethnic cleansing of the territories is the main cause of aggression and terrorism against the Republic of Bosnia-Hercegovina.

Taking into account the natural, economic, cultural, historical, and ethnic factors, the republic will establish links with other states. The same could be done by individual regions with the regions of other states in accordance with inter-state agreements. These links must not adversely affect the (?of the) interests of the republic as the whole, nor with those of the peoples that live in it.

The starting point for regulating the (?stable) constitutional-legal relations in the republic should be the unity of legislative-judicial-executive (?power) on the entire territory of the republic, together with the fundamental decentralization into regions and [word indistinct]. This would mean in particular that the republic would have unified defense and internal affairs policies, one foreign policy, one legal system, a market-based, efficient economic system with a unified monetary institution and currency.

The constitution will specify the powers of the communes, regions, and the republic on the principles presented in the platform of the Presidency of Bosnia-Hercegovina and in this document, taking into account the protection of civil and human rights and the equality of peoples in Bosnia-Hercegovina. The decision on this would be made by respecting the principles of the right to a direct democratic vote by all citizens.

The elaboration of these principles will be carried out with the help of expert groups.

Serbs Claim Muslims Reject Corridor Proposal

LD2007170892 Belgrade TANJUG Domestic Service in Serbo-Croatian 1617 GMT 20 Jul 92

[Text] Sarajevo, 20 Jul (TANJUG)—The Ministry of Information of the Serbian Republic of Bosnia-Hercegovina announced today that the Muslim side has rejected a proposal to open corridors in Sarajevo through which citizens would be able to move to the parts of the city where they would wish to live.

The Ministry accused the government in Sarajevo of forcefully keeping the Serbs in Sarajevo and in other towns under Muslim and Croatian control to be able to justify its thesis of the existence of a civil and unitary Bosnia-Hercegovina. The Bosnia-Hercegovina Press agency, which conveys stands of the government in Sarajevo, said that the proposal from the Serbian side on the opening of corridors for the passage of citizens from one part of Sarajevo to another was an attempt at the ethnic cleansing of the city.

The Ministry is again pointing to the fact that the Serbian population in towns is threatened and exposed to torture by the Muslim and Croatian authorities and that concentration camps for Serbs exist in Sarajevo and other places.

Bosnian President Arrives in Zagreb for Talks

LD2107110592 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 21 Jul 92

[Text] Bosnia-Hercegovina Presidency President Alija Izetbegovic has arrived for a two-day working visit in Croatia. He arrived aboard a Canadian transport plane servicing the UN Protection Force, along with Bosnia-Hercegovina Prime Minister Jure Pelivan and Mariofil Ljubic, vice president of the republic's Assembly. The delegation from Bosnia-Hercegovina was received at Zagreb airport by Croatian Prime Minister Franjo Greguric and Assistant Foreign Minister Miomir Zuzul.

On his arrival, President Izetbegovic told journalists that he signed the London cease-fire, despite the disbelief that it would hold, only to show the Security Council the good will of the Bosnia-Hercegovina authorities and the aggressor's bad intentions. Izetbegovic also said that during the two-day visit to Croatia, many issues which need to be solved for the benefit of both sides would be discussed. He added that military cooperation would also be discussed, but no further document in that area is expected to be signed.

Official talks between the delegations of Croatia and Bosnia-Hercegovina are to begin in a few moments in Villa Zagorje. The talks will be held between the two presidents, Dr. Franjo Tudjman and Alija Izetbegovic.

Serb-Krajina's Veizovic Supports Panic's Program

LD1907122792 Belgrade TANJUG in English 1533 GMT 17 Jul 92

[Text] Belgrade, July 17 (TANJUG)—Dobrosav Veizovic, the foreign minister of the Republic of Serb Krajina (RSK), on Thursday [16 July] hailed the programme of Milan Panic, the new Prime Minister of the Federal Republic of Yugoslavia.

"Unfortunately, the war in Yugoslavia broke out over the ambitions of some nations to create their own states, which is a retrograde process (as U.S. Secretary of State James Baker also said). In doing so, Slovenia and Croatia opted for secession by force. The extreme wing of the Bosnian Muslims followed suit", Veizovic told TANJUG.

In the case of Croatia and Bosnia-Hercegovina, he said, it was the Serbs who suffered, and developments led to the creation of serb state entities—a reality which must be recognized when solutions are sought, stressed Veizovic.

The war between Croats and Serbs in Croatia started last spring after Croatian authorities unilaterally decided to secede from Yugoslavia and downgrade its Serbs to a national minority status.

Late last year, Serbs proclaimed their own republic (the RSK) in the areas within Croatia's administrative boundaries where they are the majority population. The RSK is not administered by Croatian bodies and U.N. peacekeepers are deployed there.

In Bosnia-Hercegovina, formerly a central Yugoslav Republic, a civil war broke out in April this year after the European Community decided to recognize Bosnia-Hercegovina as an independent state. This was done at the request of Bosnian Muslims and Croats, and against the will of the third constituent nation, the Serbs, who account for one-third of the republic's population.

Bosnia-Hercegovina Serbs, who do not want to become an ethnic minority in a unitary Islamic state urged by the Muslims, on April 7 proclaimed a republic in the territory where they are the majority population.

"I am sure that the new Yugoslav Government will recognize the reality (of the Serbian state entities) in its global approach, because the existence of Croat cantons in Bosnia-Hercegovina is also a reality", said Veizovic.

Bosnian Croats, who account for 17 percent of the population in Bosnia-Hercegovina, recently proclaimed a Croatian state in areas they captured with the help of regular troops of neighbouring Croatia.

Veizovic said the RSK Government fully backed panic's proposal that Serbs in the RSK and the Serb Republic of Bosnia-Hercegovina hold a referendum on where they want to live at a later date, when the refugees return home and the situation in the entire territory of former Yugoslavia normalizes.

Federal

Prime Minister Meets With UN Secretary General

LD2107040992 Belgrade TANJUG in English 2318 GMT 20 Jul 92

[Text] New York, July 20 (TANJUG)—Milan Panic, premier of the Federal Republic of Yugoslavia (FRY), voiced optimism Monday [20 July] after his talk with U.N. Secretary-General Butrus-Ghali in New York.

After arriving Monday morning in New York for a several-day visit to the U.N. and the U.S., Panic talked at the world organization's seat with Butrus-Ghali about prospects for ending the civil war in the one-time Yugoslav republic of Bosnia-Hercegovina and about lifting the U.N. sanctions being applied against the FRY, i.e. its two republics of Serbia and Montenegro.

In a talk with correspondents of TANJUG news agency and the Belgrade POLITIKA daily, Panic said that Butrus-Ghali had welcomed his peace initiative and efforts towards re-establishing peace in Bosnia-Hercegovina, in which at war for already over three months now are Bosnia's Moslems, Serbs and Croats against one another.

Butrus-Ghali emphasized that the question of sanctions against Yugoslavia would be settled in line with fulfilling conditions set in [word indistinct] back in the U.N. Security Council resolutions, [passage indistinct] Bosnia-Hercegovina being in the first place among them, Panic remarked.

On May 30 this year, the U.N. Security Council imposed sanctions against the FRY, finding its two republics, Serbia and Montenegro, as allegedly the chief to blame for the civil war in Bosnia-Hercegovina.

To be found in the territory of Bosnia-Hercegovina are no Yugoslav Army troops now, whereas some 45,000 troops of the next-door neighbour state of Croatia are engaged in fighting Bosnia-Hercegovina's Serbs while siding with the local Moslem and Croatian forces.

Ahead of having met with Butrus-Ghali, Panic had a talk with Cyrus Vance, the former U.S. secretary of state and the special envoy of the U.N. secretary-general for Yugoslavia. Vance acquainted Panic with his own experience gained in the process of re-establishing peace in Yugoslavia and laid stress on his wish to remain an active participant.

The visiting Yugoslav federal premier should also meet with several high-ranking U.N. officials as well as with some Security Council members who are due to hold fresh consultations about the situation in Yugoslavia late into the evening Monday.

Being very unfavourably assessed in the council sources are the latest news from Sarajevo, chief city of Bosnia-Hercegovina, according to which all sides in the conflict are violating the cease-fire agreement signed in London last Friday.

Even being hinted at is a new council action in the direction of authorizing a use of military power for securing a continuation of sending the humanitarian aid to Sarajevo, discontinued Monday by reason of fighting being again on in Sarajevo.

Falling on Sarajevo airport are mortar shells, some of [word indistinct] installations have been damaged and lightly wounded have been two UNPROFOR [UN Protection Force] members, the U.N. press spokesman made it known at the briefing this afternoon.

Panic Offers Military Support for UN Intervention

AU2007104492 Hamburg DER SPIEGEL in German 20 Jul 92 pp 120-121

[Interview with Prime Minister Milan Panic by an unidentified DER SPIEGEL reporter; place and date not given: "My God, This Is Foolish"]

[Text] [DER SPIEGEL] Mr. Prime Minister, how long will it take you to stop the war in Bosnia-Hercegovina?

[Panic] A hundred days are enough—the period that is given to all new governments in the world.

[DER SPIEGEL] Until then, Bosnia will probably have been laid to ruin by the Serbs, if the new cease-fire does not hold either. Over the past 100 days alone, thousands of people have died.

[Panic] The only thing we can do for the dead is to make peace. The policy of manipulation must stop. This also applies to the other countries.

[DER SPIEGEL] You repeat the thesis of a worldwide conspiracy against Serbia.

[Panic] Of course, so far there has been an international race for positions in the Balkans. Now everyone wants to be the first to establish peace. Mitterrand set things in motion with his courage. I expect Bush and Kohl to come, too.

[DER SPIEGEL] These are probably rather unrealistic expectations. How do you want to force Bosnia's demilitarization?

[Panic] Of course, they will not burn their weapons all together. I suggest: Each nation hands in their weapons separately, and then we place them all together under UN control. Later on, we can sell them and use the money for better things. This is also what the Japanese did.

[DER SPIEGEL] A few days ago Serbian leader Karadzic claimed that all Serbs would be liquidated if they did not continue fighting.

[Panic] Karadzic may not be a great general, but he is not stupid. Of course, he was bluffing. I called him the week before last at 0300 in the morning, getting him out of bed, and told him: If you do not stop attacking Sarajevo Airport immediately, the Americans will drop bombs. He stopped fighting immediately....

[DER SPIEGEL] ...and continued the massacre in Gorazde. This is the old tactic of the Serbs: giving in in one place and opening up a new front line somewhere else.

[Panic] What is happening in Gorazde is a tragedy. I will go there personally. The problem is that in the meantime all the politicians have lost control over the paramilitary units.

[DER SPIEGEL] And how do you want to call them back then?

[Panic] These paramilitary units are criminals, the dregs of society. They must be put under law and order, they must be put into prison.

[DER SPIEGEL] General Mladic, who commands the Serbian Army in Bosnia, has threatened an all-out war if UN foces intervene.

[Panic] Trying to defend oneself against the entire world is more idiocy than cleverness. The three peoples in Bosnia would end like the Greeks in Sparta. My God, this is foolish at the end of the 20th century. They will all be dead, the Serbs, the Muslims, and the Croats. I will talk to Mladic and force him to listen to reason.

[DER SPIEGEL] And what happens if he does not listen to you?

[Panic] The leaders who continue shooting are sick, may God help them. In this case the United Nations will attack. It is only a matter of a very short time until we have the Iraqi Desert Storm here.

[DER SPIEGEL] On which side would your "new Yugoslavia" stand in the event of an intervention?

[Panic] If my appeal for a cease-fire is not obeyed, I will stand on the side of the United Nations. As long as the United Nations recognizes Yugoslavia, I will participate with our army in the fighting on the UN side. The best thing would be, if the United Nations permitted us to return to Bosnia with our Army. We would have peace there within three days.

[DER SPIEGEL] This would mean putting the cat among the pigeons.

[Panic] We have a big army, which is fully equipped, with good morale. I have checked it. The generals are prepared.

[DER SPIEGEL] Last week, you said that in Bosnia the coalition between Croats and Serbs is bigger than that between Croats and Muslims. Would you agree to a division of Bosnia between Serbia and Croatia?

[Panic] These are Mickey Mouse games. These borders were thought up by Tito, probably one of the worst criminals of this century. They are unjust, but I have to recognize them because there is nothing better at the moment. In a few years, we will discuss these borders again and give the people there an opportunity to decide themselves where they want to live. One cannot change the borders with weapons.

[DER SPIEGEL] Thanks to the help of the Army, Serbia has meanwhile conquered 65 percent of Bosnian territory. Do you really expect the Muslims, who form 44 percent of the population, to accept this?

[Panic] The Serbs must give the territory back, immediately. They must also give back what they have taken away from Muslim families and permit the refugees to return. All must apologize to each other.

[DER SPIEGEL] Why have you not yet recognized the Republic of Bosnia?

[Panic] I will recognize Bosnia if Izetbegovic orders his army to stop shooting.

[DER SPIEGEL] But President Izetbegovic does not want to accept Bosnia's division into cantons, which you have demanded.

[Panic] Then his people should oust him. I will call for his resignation. Who is he, after all—nothing more than just one voice. He must accept peace, no matter what.

[DER SPIEGEL] Are you not afraid that the division into cantons will unavoidably lead to further "ethnic purification"?

[Panic] This is completely wrong. My daughter, my son, and my son-in-law are Muslims. There are Croats in my family. There is no hatred among the Yugoslav peoples.

[DER SPIEGEL] Then, how do you explain the massacres?

[Panic] These are the deeds of criminals. I will all put them on trial. Even though this will not be easy. The French, Spanish, and American civil wars were no less brutal.

[DER SPIEGEL] Will you make peace with Croatia's President Tudjman?

[Panic] Germany and France once were archenemies, now they have no borders anymore. They speak different languages and have a joint corps. Why should Croats and Serbs not be able to achieve this? Our economic systems are so densely interlaced that one can hardly survive without the other.

[DER SPIEGEL] You do not particularly like the Germans. One must not permit the united Germany to arm itself again under any circumstances, you said.

[Panic] As an American, I think that the Germans are our great friends, great democrats. But I admit—and I apologize for it—that I am a bit sensitive on this issue, because as a very young man I fought against the Germans in the war.

[DER SPIEGEL] Your election as prime minister of the truncated Yugoslavia is frequently seen as a frame-up by the Belgrade ex-communists. Or did the socialists sacrifice Milosevic to stay in power themselves?

[Panic] I really do not know why they asked me to come and elected me. They probably would not have done it if they had no problems. As regards Milosevic, he should do his work and not interfere in mine—he is the governor of California, I am the president in Washington.

[DER SPIEGEL] Are you not afraid that all your plans will fail because of a parliament that made it clear already when you first appeared: We keep the power?

[Panic] These deputies are not prepared for someone like me. I love opposition—this is the only way one can make decisions. I had only three days to put together my program. Therefore, I just laughed when they criticized it.

[DER SPIEGEL] How long will you go on laughing before you throw in the towel and give up?

[Panic] I am a great optimist and fighter. What do you expect me to do—prepare for a funeral? I am a Serb with an American education.

Serbia

Milosevic Interviewed on Bosnian Situation

LD2007144992 Belgrade TANJUG in English 1221 GMT 20 Jul 92

[Text] Paris, July 20 (TANJUG)—Serbian President Slobodan Milosevic said the sanctions imposed by the international community against Serbia and Montenegro were the result of "different criteria" towards the protagonists of the Yugoslav crisis and the interests of some leading European countries.

In an interview to the leading french daily LE FIGARO published on Monday [20 July], Milosevic said that the "adventurous policy of Alija Izetbegovic" had triggered the war in Bosnia-Hercegovina. "Not a single soldier from Serbia or the Federal Army is now in Bosnia-Hercegovina", he stressed.

Milosevic condemned the shelling of Sarajevo and said the label of aggressor had been pinned on Serbia because of "fabricated reports".

"I think Serbia was the victim of an open campaign of misinformation and the logic that the strongest, in this case Serbia, is always to blame", he said.

The Serbian president upheld French President Francois Mitterrand's plan for an international conference on Yugoslavia. It may be useful because of the participation of the five permanent members of the U.N. Security Council and all the sides in the Yugoslav conflict, said Milosevic.

Milosevic denied claims that he is a Communist and an ardent nationalist. "I am a founder of the Socialist Party of Serbia which now has 500,000 members, half of whom never belonged to the League of Communists of Yugoslavia", he said.

"I am in fact in favour of a prosperous and just society, and I am a patriot and not a nationalist," said Milosevic. "An ethnic state is a total illusion in this century," he added.

Milosevic also denied allegations that he had planned to create a "greater Serbia".

"Serbia has never had any territorial aspirations, but the only thing we cannot accept is to apply the criteria which Europe itself is not applying", he said.

"How would Paris react if a neighbouring country supported secession of a French province where those opposed to the secession would become hostages," asked Milosevic speaking of Kosovo.

Kosovo is Serbia's southern province with a predominantly ethnic Albanian population.

"I would never agree to Kosovo's secession", he said.

"Ethnic Albanians in Serbia can count on all rights guaranteed to minorities in the world, but these very rights do not permit secession from one country and annexation to another," said Milosevic in conclusion.

Prime Minister Discusses New Economic Program

AU2007080792 Belgrade POLITIKA in Serbo-Croatian 5 Jul 92 pp 7-8

[Slavoljub Zivkovic report on interview with Serbian Prime Minister Radoman Bozovic; place and date not given: "Radoman Bozovic: Program Made for Blockade and Hyperinflation"]

[Text] Last week the Serbian Government adopted a package of measures aimed at alleviating the consequences of the UN Security Council's sanctions, and also at dealing with the galloping inflation. This package, which has been coordinated with the measures by the federal organs, contains among other things the denomination and devaluation of the dinar, and the control of prices and salaries. Our correspondent in Novi Sad asked Prime Minister Radoman Bozovic for an interview regarding these matters.

[Bozovic] The primary objective of the new economic measures is to alleviate, or rather to mitigate the consequences of the blockade, which are drastic in some sectors of economy and the economy in general, particularly industry, as it is very dependent on import and export activities. The secondary objective of these measures is to eliminate the main sources of hyperinflation, which is destroying the economy and not only the economy.

This concept of measures of economic policy is based on the necessity to diminish the effects of the blockade on the living standard and the economic activities in the country, on the need to fight hyperinflation, and to establish a unitary economic order and monetary system in the FRY, the lack of which has, in the last couple of years, had drastic consequences on the economy. Another objective of these measures is to create conditions for the increase of production of key materials and products if the blockade exceeds three months.

That is what the Serbian Prime Minister Dr. Radoman Bozovic said at the beginning of his interview for POLITIKA, answering the question on the basic objectives of the new economic measures at the Serbian and federal level.

We Cannot Accept Untruths

[Bozovic] However, that is a short-term program for diminishing the negative effects of the blockade, which is supposed to facilitate a transition from the present phase, whose length is unfortunately impossible to predict now. The new phase, which will start with the lifting of the sanctions, will require a new program to stabilize the Yugoslav economic structure, particularly in the area of ownership relations, and so on.

The alternative is that if the sanctions continue over an extended period of time, another program would be introduced that would allow a greater degree of restrictiveness and administrative involvement in order to maintain the basic balance on a certain level so as to prevent the consequences from being even more catastrophic. All this would come out of necessity, and not because the government is so inclined. That is why it is vital to recognize the difference between these economic measures and realistic anti-inflation programs, because their priority is not to counter the problems of economic order and the causes of inflation, but to alleviate the catastrophic consequences of the blockade.

These are also the limitations under which the government had to adopt this program.

In the Serbian Government, and particularly in the economic council, which consists, if I may say so, of a group of the most competent Serbian economists, we went very carefully through various possibilities, and decided that, under the circumstances, short-term intervention was urgently needed with these measures so that we can counter the consequences immediately. If the sanctions exceed two or three months, then, toward the end of July, we would have to consider some new moves, but I hope that the blockade will not last that long. Of course, the government's main interest is to have the sanctions lifted now, or rather as soon as possible, so that the consequences of the economic blockade are no longer the grounds for our economic program.

Political Dialogue Is Necessary

In accordance with the government's main interest, and well-aware of the consequences of the blockade, the government is fully cooperating with the UN and the Security Council, but it still has certain principles which, as I have recently said, it will not abandon.

I am talking about the untruth that Serbia and the Serbian people are the aggressors in Bosnia-Hercegovina. A civil war is taking place there among three ethnic armies, which should, of course, be immediately stopped, and pressure should be exerted on all three armies to lay down their arms and start a political dialogue on the future of that former Yugoslav republic, on the principle of agreement of all three ethnic groups. But regardless of all that, we do not accept such an untruth.

Another very clear attitude of the government is that a political dialogue is necessary on all vital questions regarding the rights of the minorities along the best international standards, but under no circumstances can there be any secession or detachment of any part of the territory of the Republic of Serbia under the guise of special zones or whatever, which would, in effect, mean the dissolution of the country. Those are the two basic attitudes that are taken by this government as a threshold it will not cross.

All other demands for cooperation in order to put a stop to the war in Bosnia are exactly the demands that we insist on. That is why I hope that there will be some new tones from the UN Security Council, resulting from concrete activities by the Serbian side in Bosnia-Hercegovina, and the truth that it is indeed a civil war in Bosnia, fought by three ethnic armies and helped by Croatian regular armed forces. I hope that these facts will influence the international community to turn to the central problems and the real causes of the civil war in Bosnia-Hercegovina, and to exert pressure on its protagonists to stop the fighting.

As for this short-term program, which is meant to mitigate the consequences of the blockade, it consists of five main factors: The realistic reduction of the budget deficit, slowing the speed of money printing and establishing firm control over the monetary system, freezing the prices of a number of basic products, and introducing a system of approval for the change in price of a larger group of products that are now without much competition on the market, as well as managing a nominal

anchor for salaries on a monthly level, which would ensure a more just system of redistribution of the burden under which our economy has been suffering. That would also contribute to the removal of the extreme conditions in our economy, whose essence is that it does not matter what and how much is being done, but where it is being done.

Even Distribution of Crisis Burden

With an institutional model in the area of salaries, we have introduced a rationale by which the mass of salaries is governed, and an even distribution of the burden of the crisis is influenced. One of the measures is the replacement of money with a certain denomination and the change of the exchange rate of the dinar, and linking it to the American dollar. It is true that at the time I said that the anti-inflation program will be introduced by the new federal government.

Two months ago, the Serbian Government, together with the Economic Council, prepared an overall anti-inflation program based on the social and economic relations in Serbia. However, our economic problems did not start with the blockade. They have only become radically accentuated by it.

Our economic problems have been caused by incorrect measures taken by the federal government during the last two to three years, the disintegration of the country and its market, the civil war in our region, and so on. Despite that, it is well known that Serbia had, until recently, the lowest fall in gross national product, and the most favorable economic indicators. The reason for presenting our program to the new federal government stems from the fact that some key macroeconomic functions are in the hands of the federal state.

In the meantime, there has been a delay, that is, an extenuation of the period for the constitution of the federal government, which has made our situation harder, particularly as we are now also under an economic blockade. That was the reason why the Serbian Government and the expert group had to face the fact that now is not the time for an overall anti-inflation program, since the one, key function that has a crucial influence on the economic life of a country, that is, economic relations with foreign partners, is not there.

Reduction of Prices to Tolerable Levels

[Bozovic] That is why we have resorted to a restricted program aimed at alleviating the consequences of the blockade, removing the central points of hyperinflation, and reducing inflation to a level that is still very high, but does ensure more tolerable conditions for production.

[Zivkovic] Is it possible, as you have recently predicted, to reduce inflation to 20 percent a month when there is no export or import, nor foreign capital?

[Bozovic] A monthly inflation of 20 percent is very high, but since in the last few months inflation went over 100 percent, reducing it to some 20 or 30 percent a month is a very radical step indeed. Unfortunately, under the circumstances it is impossible to structure economic policies so precisely as to be able to talk of precise percentages. But it is certain that a respect of all the policies that we have introduced will result in a radical anti-inflation move, taking into account the present inflation chaos.

[Zivkovic] Thousands of product prices went up just before the price control was introduced. How will it be established whether regulations have been violated, and if so, what and whose responsibility it was?

[Bozovic] The fact is that before the introduction of these measures, there were thousands of price increases on a daily basis. In the last month or two, we have managed to suspend the market chaos with these measures. Now it is within the authority of the newly-formed directorate for prices, various ministries, and the government in general to secure—using all the instruments of a legal state, and sanctions for violation of these decisions—the level of the prices that have been placed under control, or have been approved for this treatment.

Salaries Not Frozen

[Bozovic] Unfortunately, some disparities are bound to remain, as we know from previous experience that measures like these, even when introduced in much more stable circumstances, have always been accompanied by great inequities, distortions of prices, and so on. We will try to gather a group of experts in the directorate for prices, who will be able to direct the removal of these distortions and to have an economic, or at least an expenditure model functioning in the area of prices.

[Zivkovic] There is much public controversy regarding future salaries. Some complain of egalitarianism, others about drastic differences. What is the truth?

[Bozovic] Determining the distribution of salaries is an important part of this program. But for the blockade, this area would have been institutionally determined in a way different to the one that had functioned before, until the volume of resources for salaries was realistically reduced. Salaries used to follow the movement of the gross national product, and, till now, they did not have an effect on inflation. However, salaries have to be reduced realistically to the level that gross national product is realistically expected to be reduced to. It would be totally wrong to conceptualize economic policies in this field without taking into account the realistic estimate that the economic blockade, if it lasts, will bring about a radical reduction of gross national product, particularly in certain vital sectors.

However, what is determined is the upper limit of the total amount of salaries that can be paid out, and not the salaries themselves. It is not a question of freezing salaries, but introducing a mechanism that will, in several months, lead to the equalization of salaries of groups of workers who do the same job, regardless of where they are employed. This

administrative measure would lead to the same result as would happen spontaneously in normal market conditions. Also, in this system, there would be a possibility that employees who—according to the existing general collective agreement—have the right to higher salaries than the intervention ones, would receive the difference in ownership rights of the capital.

Will There Be Food Coupons?

[Bozovic] Although this is an administrative model, it solves something that would have had to be solved even if it were not for the crisis—the inexplicable chaos in the field of salaries, which is based on the principles of monopoly and speculation. In the market, it simply does not happen that unqualified labor in some areas of production brings in three to five times higher payment than highly qualified labor in other areas. So these intervention measures are also meant to correct a decades-old incorrect model of economy by consensus, which is embodied in the practice of allowing workers in companies to decide on labor and results of labor. Another intended effect of these measures is to ensure at least some kind of social security, and a certain amount of justice in bearing the consequences of the economic crisis, since this agreement is valid for literally all working people.

[Zivkovic] Will there be an introduction of food coupons?

[Bozovic] The basic balance of food is completely commensurate, and, I would say, it is very responsibly managed. However, the conditions under which we are living are such that there is great tension in the population, and the demand for basic food products is several times higher than is normal and customary. So the cause of instability is amassing supplies, not shortages. Under the circumstances, there is no need for the introduction of food coupons, but, at the same time, we have to eliminate black-marketeering and speculation with food, and to ensure a consistent implementation of the government's ban on food export. That would remove the obsession with shortages and the need to introduce coupons.

[Zivkovic] In which sectors do you see the blockade causing the greatest problems?

[Bozovic] The biggest problem is in industry, as it is dependent on equipment, raw materials, and particularly energy. Also, it is losing the large international market. Still, we will encourage and help companies to substitute the production of those products that can be manufactured domestically. We have become accustomed to importing a whole range of goods that we can produce with our own technology and knowledge.

Solutions Are Sought

[Bozovic] We are also looking for solutions to help certain companies—for example the mining and smeltery basin, Bor—that have important export projects and whose production has to be maintained, to survive even the most restrictive conditions. There are problems with energy because of the oil embargo, but we are trying to balance that with certain restrictions, a certain redistribution in traffic and other areas.

[Zivkovic] Everyone agrees that we have to get the blockade lifted as soon as possible. How much has been done so far in that direction?

[Bozovic] It would be fatal to believe that we could live with the blockade for a longer period, without extremely drastic consequences for our economy and all segments of the state and society. That is the starting point from which we must go. We must do everything to have the blockade lifted. First of all, the war in Bosnia-Hercegovina has to be stopped, and political dialogue among the three ethnic groups has to begin. Also, in the Republic of Serbian Krajina, the UN has to take complete responsibility for peace there, and a political dialogue has to start on its future and status. We will do everything to encourage that, to support and influence just solutions.

Why Was Panic Not Consulted?

[Zivkovic] You said at the time that the new federal government would introduce the anti-inflation program. Was Mr. Milan Panic, the new premier of the FRY, consulted about the recent measures?

[Bozovic] Mr. Milan Panic was not consulted for the simple reason that he was not here, and at the time when this program was conceptualized, he was not even a candidate for federal premier. Mr. Panic is an estimable businessman, but most of the work in the area of economic politics will be done by his expert team in the government. But there is certainly a need for him to face these facts, and to participate in the further modelling of some of these policies.

No Dialogue on Detachment of any Part of Serbian Territory

[Bozovic] We, the present government, cannot be expected to give in to any blackmail and accept that the Serbs in the Republic of Serbia are a nation that should be annulled, exterminated or humiliated. We expect cooperation on the principles that every nation has equal rights.

Yesterday, I again invited the Albanian ethnic minority and other minorities to talks on their rights. But there is absolutely no dialogue with this government on the detachment of any part of Serbian territory. The international community will have to accept that as a fact, because any other solution, I am convinced, any other initiative is unacceptable to the Serbian nation, and there is no government that could govern Serbia without protecting these basic national interests.

Serbian Red Cross Says Numbers of Refugees Rising

LD2007211292 Belgrade TANJUG in English 1722 GMT 20 Jul 92

[Text] Belgrade, July 20 (TANJUG)—Roughly 5,000 refugees left Serbia and returned to the Serbian Krajina republic in the past ten days or so, the Red Cross of Yugoslavia said on Monday [20 July].

The Serbian Krajinas are regions inside the communist-defined borders of the former Yugoslav Republics of Croatia and Bosnia-Hercegovina, and are part of the Republic of Serbian Krajina, which has been placed under U.N. protection, and of the Serbian Republic of Bosnia-Hercegovina.

Serbs have been compelled massively to flee the Krajinas first because of the war that broke out due to Croatia's secession from Yugoslavia last year, and then the war that the Muslims started in Bosnia-Hercegovina this year.

A new, fourth convoy of buses, with around 1,500 refugees, will leave on Tuesday for Banja Luka, the political centre of the Serbian Republic of Bosnia-Hercegovina, and for Knin and Glina in the Republic of Serbian Krajina, the Yugoslav Red Cross said.

Although refugees have been returning home, their number is still increasing in Serbia, the Serbian Red Cross said on Monday. According to the figures released by the Red Cross of Serbia on Monday, there are 382,511 registered refugees in Serbia, of whom 218,773 are from Bosnia-Hercegovina.

Three trucks with relief aid, containing 4,750 so-called family packages, left Belgrade for Bijeljina in north-eastern Bosnia on Monday, the Belgrade office of the U.N. High Commissioner for Refugees (UNCHR) said on Monday. Over 53,000 displaced persons are staying in north-eastern Bosnia.

The shipment was the first to the respective area by the UNHCR, which said it would shortly send other supplies. The aid has been secured with donations from the European Community, and will be distributed by the local Red Cross organizations.

Independent Deputies Group Set Up in Assembly

LD1907094392 Belgrade TANJUG Domestic Service in Serbo-Croatian 1201 GMT 17 Jul 92

[Text] Belgrade, 17 Jul (TANJUG)—The foundation of a new independent group of deputies, chaired by ex-socialist Jovan Cvetkovic, was officially confirmed today in the Serbian Assembly.

This group of deputies has also been joined by people's deputies Ilija Rosic, Momcilo Rajkovic, Milan Svabic, Predrag Lazic, and Rodoljub Todorovic, who recently deserted the Socialist Party.

The group also includes Miroslav Stojanovic (independent), Tode Vojvodic (Serbian Democratic Party), Dragoslav Petrovic (People's Party), and Tomislav Milanovic (Socialist Party of Serbia).

The decision to inform the public about the formation of this new club was made at yesterday's meeting of its members, since the group has met the conditions for such a move by virtue of having 10 deputies.

Milosevic Forms New Office To Replace Presidency

LD2007202192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1013 GMT 20 Jul 92

[Text] Belgrade, 20 Jul (TANJUG)—Slobodan Milosevic, president of the Republic of Serbia, has adopted a decision to form an Office of the President of the Republic, and appointed Dusan Vasic secretary general. These decisions were published in the latest issue of the republican official gazette, and became effective on 16 July.

The Office of the President of the Republic has thus formally and de facto replaced the former Office of the Serbian Presidency.

According to the new decision, the Office of the President will be charged with analytical, advisory, expert, administrative, technical and other tasks designed to help the president of the republic carry out duties in his competence.

Apart from the secretary general, who heads the office, the office consists of advisors to the president of the republic, the chef du cabinet and employees working for the president of the republic. They will be appointed to and relieved of their duties by the president of the republic.

The secretary general distributes financial means earmarked for the Office of the President of the Republic from the republican budget.

Montenegro

Sanctions Reportedly 'Tragic' for Economy

92BA1202A Podgorica POBJEDA in Serbo-Croatian 4 Jul 92 p 7

[Article by Z. Darmanovic: "Consequences of the UN Sanctions for the Montenegro Economy: A Gloomy Prospect"]

[Text] No one has yet made a comprehensive analysis of the consequences of the international blockade but, according to trade union sources, it is estimated that the number of workers on compulsory vacations in Montenegro is far higher than 6,000.

The consequences of Resolution No. 757 of the UN Security Council after it has been in effect for about 30 days are having tragic consequences for the economy of Montenegro. The sanctions are having the greatest

impact on workers and their families. For example, the situation in many economic collectives in Montenegro is alarming because of the blockade, so workers are being sent on collective annual leave or compulsory vacations. No one has yet determined exactly how many workers in our republic are affected by these sanctions, but judging by information from the Council of Independent Trade Unions of Montenegro, compiled on the basis of reports from district trade union organizations, the number of workers who have gone on compulsory vacations has far exceeded the figure of 6,000, and the number of those who are using regular annual vacation time is far higher.

Thus, according to trade union sources, 470 of 850 workers in Ulcinj have gone on compulsory vacations from the HTP Ulcinj Riviera. In Kotor, 100 workers of the Bokeljka enterprise are on compulsory holiday, as are 20 workers of the HP [Hydroelectric Plant] Fjord, 14 workers of the Printing Factory, and 50 workers of the Public Communal Enterprise. The Kotor Ball Bearing Industry has raw materials for another two to three months, while the Jadran enterprise in Perast completely depends on the will of buyers from the West, which has invested in raw materials.

All Are Harmed

The situation is particularly difficult in Bareka district. Because ships will soon cease totally to dock at dam ports, 70 percent of the workers have been sent on regular yearly vacations from last year and this one [as published], while the Prekookeanska plovidba [Trans-Oceanic Shipping] enterprise has sent 50 workers on compulsory leave. The situation is not better in Pluzina district either. Of 180 workers in the Electrode Factory, 119 are on compulsory leave, while the 208 workers of the Crnagorakopa enterprise in Danilovgrad are also not working.

In Niksic, because of the international blockade, they were forced to send part of the workers on compulsory leave and collective annual vacations; this was in Zeljezara [the Foundry], Pivara [the Brewery], and the Bauxite Mines. In the Metalac enterprise in Niksic, 300 workers have already been using compulsory vacation time for 20 days; this will last for two months. The Obod [wheel rim] enterprise in Cetinj has sent 900 workers on compulsory leave and the Kosuta enterprise 700 workers, and if the sanctions are not lifted, other workers in these collectives will also meet the same fate. The Bojana and Tara enterprises expect that they will have to send half their workers on compulsory vacations. Up to 100 workers each are not working in the Biteks, Dekor, and Gornji Ibar enterprises in Rozaja, and the situation will soon be similar for 240 workers in the Titeks enterprise and 120 workers in the Napredak enterprise. In Berana, 206 workers of the local Izgradnja [Construction] enterprise are on compulsory leave, and workers at the Jugoprevoz [Yugoslav Transport] enterprise expect this. In the Prevoz enterprise in Pljlevlje, 140 workers had to go on leave because of a lack of work, and the situation is not rosy in other collectives either.

A Five-Hour Workday

Even without an economic blockade, the Bjelopoljsko economy has languished in problems. Thus, for example, half of the 400 workers of the Namjenska enterprise, 200 workers of the Imak enterprise, 250 workers of the Transservis enterprise, 450 employees in Jekonua, and 533 workers of the Mladost Footwear Industry are going on compulsory leave. The Bjelopoljsko enterprise Polipak has attempted to resolve its problems in another manner. Instead of vacation time, the firm decided to switch to a five-hour workday.

In Podgorica, 56 workers of the ZTO construction complex, 203 workers of the Elastik enterprise, and two-thirds of the 205 workers of the Public Communal Enterprise are using compulsory leave for now. If the situation does not change in a month, compulsory leave is expected for the majority of workers of the KAT enterprise, and collective yearly vacations are starting at the beginning of this month in the Radoj Dakic and Marko Radovic enterprises.

In contrast to these districts, not a single collective has resorted to compulsory leave yet in Kolasin, Budva, and Zabljak, but it can be expected soon. The situation is similar in Tivto, where no one has sent workers on compulsory leave yet. But, regular annual vacation, counter to custom, will be used in the height of the tourist season by 60 workers in the Primorje [Coast] enterprise and by 100 workers in the Mimoza HTP.

This is only a cursory picture of the situation in which the Montenegro economy has found itself after the international blockade. A more serious and thorough analysis would certainly show that the situation is far more serious and dramatic and that if the sanctions do not stop, the majority of the Montenegrin economic collectives, and their workers, will find themselves in an unenviable position.

Kosovo

Albanian Agrees to 'Direct, Unconditional' Talks

LD2107034592 Belgrade TANJUG in English 0113 GMT 21 Jul 92

[Text] July 20 (TANJUG)—Ibrahim Rugova, leader of Kosovo's Democratic Alliance which assembles the majority of ethnic Albanian parties in Serbia's southern province of Kosovo [passage indistinct] Monday [20 July] that he is ready for a direct and unconditional talk with Serbia's leaders.

He empowered Lord Peter Carrington, chairman of the Peace Conference on Yugoslavia, to next Tuesday transmit such a message to Serbia's president, Slobodan Milosevic, and the Federal Republic of Yugoslavia's president, Dobrica Cosic, Rugova told the press here.

In the past two months leaders of the national minority of ethnic Albanians have turned down four offers of talks

from Serbia's legal authorities. For the past two years now, they keep refusing to take any share in Serbia's political life.

Rugova talked with Lord Carrington here [passage indistinct] about the situation in Kosovo. Lord Carrington expressed his grave concern about the state of things in Kosovo, finding that, if possible conflicts break out, this would be tantamount to a catastrophe for both Serbia, Yugoslavia and for Kosovo itself.

When British Foreign Minister Hurd visited Tirana last week, Albania's president, Sali Berisha, was told that the E.C. would not allow Kosovo's breaking away from Serbia and Yugoslavia and its joining Albania. [passage indistinct] the same message was transmitted to him by Greek Premier Konstantin Mitsotakis. Being assesed in London is that this is the reason for Rugova's acceptance of dialogue with Serbia's legal authorities.

Kosovo's ethnic Albanians (they have the status of a national minority, not of a people, and by international norms are not entitled to self-determination) hope to realize their separatist [word indistinct] through international aid and possible military intervention from abroad.

Macedonia

Government's Alleged Sanction Noncompliance Viewed

92BA1197A Ljubljana DELO in Slovene
6 Jul 92 p 2

[Article by Branko Jokic and Peter Potocnik: "Macedonia Is Allegedly Only Verbally Supporting the UN and EC Sanctions"]

[Text] The Skopje airport is supposed to be an export-import base for Serbia and Montenegro; an economic delegation from Montenegro recently visited Skopje; M. Djukanovic says that ties have not been broken off.

(From our correspondents) Skopje, Podgorica, 5 Jul—Speculations about whether and how Macedonia is observing the blockade against Serbia and Montenegro appeared when the news spread that traffic at the Skopje airport had recently increased considerably. Swiss sources thus note that ten times more airplanes arrived at the Zurich airport in May 1992 than in May 1991. Observers associated this information with the unusual fact that the JA [Yugoslav Army] has not removed its equipment that permits aircraft to take off and land from the Skopje airport, and they furthermore also pointed out several other incidents, on the basis of which they could conclude that Macedonia is cooperating more closely with Serbia than expected, behind the back of the international community.

Are JAT [Yugoslav Air Transport] aircraft repainted in the colors of Macedonian airlines therefore actually landing and taking off at the Skopje airport? Adria Airways suspects so, and cites the fact that both Macedonian airlines are flying leased East European aircraft of the YaK and Tupolev types, which JAT did not have.

A year ago, Macedonia established its own airline, Paler Makedonija. Its director, Vanja Bitoljaku, stated for the newspaper NOVA MAKEDONIJA that its purpose is to "compensate for the absence of JAT," which until recently also "covered" Macedonia. For now, the company has leased three Bulgarian aircraft (a Boeing and two AM-2's), and is maintaining passenger traffic between Skopje and Vienna, Skopje and Maastricht, and "as necessary." Bitoljaku claims that they have carried approximately 150,000 passengers.

The company plans to continue to lease foreign aircraft, until it buys its own. For that purpose, in the next few days Bitoljaku and his colleagues will visit several European states, and consequently we were given several explanations, as much as were "within her authority," by the head of sales, Barbara Sukovic. She is aware that there have been negotiations about leasing JAT aircraft, but can by no means state that this conceals an agreement for JAT to use the Macedonian airline and the Skopje airport to break through the blockades, i.e., for Serbia's needs. As she said, she is "not authorized" to comment on such claims, and especially not the one recently published by the Belgrade press.

It is known that Macedonia announced harsh economic measures to implement the economic blockades against Serbia and Montenegro. In the talks between Serbian and Montenegrin Prime Ministers Dr. Bozovic and Dr. Nikolo Kljusev, which took place the day before the announcement of the blockade (people already knew about it), they agreed in spite of it that they would jointly use JAT aircraft and the Skopje airport's airlines.

It is not possible to state with certainty that the agreement concluded is also being observed, and that Macedonia is otherwise verbally supporting the UN and EC measures (until independence and international recognition are achieved), but at the same time maintaining "normal" commercial ties with Serbia and Montenegro. At any rate, several signs indicate that the stories about the use of the Skopje airport and JAT aircraft, and about Macedonia's been an export-import base for Serbia, are not unfounded....

Has Macedonia perhaps only formally accepted Resolution 757, in order thus to "suit" the international community, from which it is demanding recognition, while at the same time it is continuing all commercial ties with the Serbian and Montenegrin economies, to which the sanctions apply? When we wanted to obtain an answer to this in Skopje and Podgorica, we ran into a wall of silence. It is quite possible that the answer to the first part of the question is affirmative, with this being justified by Macedonia on the grounds of its own difficulties, the economic situation, and the great dependence of its market and economy upon Serbia and Montenegro. It is known that at the Dzeneral Jankovic

border crossing there are no barriers to the transportation of goods from one side to the other that have special passes for this.

Very diverse products are coming from Macedonia, including also food products, especially vegetables, which are sold in Montenegrin markets. The tobacco factory in Podgorica is obtaining the necessary paper from Macedonia, and raw materials from the aluminum combine are also coming from there. Ohis regularly sends Montenegro pesticides (sprays for fruits and grapes) and other chemicals. Numerous other products are also being sent to Montenegro from the former southernmost Yugoslav republic, and "in return" the Macedonians receive from the Montenegrins aluminum semifinished products, boards, lumber, ferrous metallurgy products, etc. The Mavrovo construction enterprise is carrying out the largest Montenegrin capital investment project under way—the water pipeline for the Montenegrin coast.

Recently Skopje was visited by an economic delegation from Montenegro, headed by Vojin Djukanovic, the vice president of the Chamber of Commerce, which agreed on specific ("secret") economic cooperation. We asked Djukanovic to tell us something more about this. He only confirmed that trade was going on, but said that it was not in their interest to list it more specifically, saying that it was a "big business secret." He emphasized that it was primarily "in Macedonia's favor, but that the Montenegrin economy would also come to a halt if ties were broken off."

We also asked the same question of Montenegrin Prime Minister Mile Djukanovic. He said that several foreign enterprises were also inquiring about continuing projects started in Montenegro. Thus, "a certain English enterprise" and the MOSCC bank there will build the large Buljarica tourist settlement with close to 3,000 beds. In response to a direct question about cooperation with Macedonia, he answered that they had not broken off mutual relations, which benefited both sides, which "is understandable, since these two republics are already linked by nature...."

Jugoskandika, whose headquarters in Sveti Stefan, according to Djukanovic, includes tens of foreign enterprises, is also doing "regular and normal" business.

Milos Petrovic, vice president of the Croatian Assembly and director of the Sisak Steelworks, had to deny rumors several times last summer that in spite of the Serbian aggression against Croatia, the steelworks was cooperating with the main Serbian arms factory in Kragujevac.

It is true, however, that this role has been accepted by several of the steelworks' plants in Banija and Kordun which have been occupied by the Serbs (Glina, Dubica, Gracac), and which have been under UNPROFOR [UN Protection Forces] supervision since yesterday, at least officially. Croatia officially broke off economic relations with Serbia for the first time on 2 August, when it established a government of nine parliamentary parties, and broke off relations as a whole on 7 October 1991.

Even then, all relations with Serbian partners were treated as a violation. This was followed by liquidation of the enterprise, as demonstrated by the case of the Sisak Steelworks, which is not the only one. Actually, all communications with Serbia were broken off on 4 September 1991, when soldiers from the Banja Luka corps, with domestic Cetniks and those who had come from elsewhere, occupied the area of Okucani and cut the main tlephone cable between Zagreb and Belgrade near Novska. By then most Serbian representations, especially shops, had already been converted into Croatian representations or shops, in exchange for the confiscated Croatian property in Serbia. That was also the case with the automobile maintenance service and showrooms of Kragujevac's Crvena Zastava [Red Flag].

[Box, p 2]

Belgrade newspapers recently wrote that new railroad lines had been opened between Belgrade and Pristina, which were "part" of the international lines that "are being continued from Skopje." JAT committed itself to use its buses to take passengers from the Pristina airport to Skopje, i.e., a distance of about 80 kilometers, but it did not say to where passengers could continue their trips from there and on whose aircraft, but it is clear that they have thereby avoided a direct takeoff by JAT aircraft from Belgrade.

[Box, p 2]

Montenegrin Minister of Trade and Tourism Dragan Milic said that business arrangements were being continued not only with Macedonia, but also with Slovenia, which kept several of its representations in Montenegro. They receive the Slovene goods being sold on the market here regularly, and in exchange they export Montenegrin products to Slovenia (he did not say which ones). "Everything is going well, although it could be better," Milic concluded.

[Box, p 2]

As far as the airport in Skopje and the Paler Makedonija airline are concerned, it is true that it has leased Bulgarian aircraft to carry passengers. Head of sales Barbara Sukovic said that they only repainted the aircraft and printed their company's logo on them. She denied any sort of cooperation with JAT, but "they will still talk" about it. There was a strike at the airport a few days ago by employees who claimed that "they did not have any control over the Macedonian sky." We were not able to find out what they meant by this, but it is true that the Macedonian government immediately acceded to their demands and that everything was suppressed very quickly. In any case, the Macedonian airport is splendidly equipped, while the JNA left most of its equipment at the Petrovac military airport.